The Department of State

bulletin

Vol. XXXI, No. 801

November 1, 1954



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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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Fifth Annual Honor Awards Ceremony

On October 19 the Department of State held its fifth annual honor awards ceremony at Constitution Hall, Washington, D. C. Following are texts of remarks made by the President and Secretary Dulles at the ceremony.

SECRETARY DULLES

Press release 591 dated October 19

Mr. President, your presence here does us all honor. It symbolizes the vital importance of foreign affairs to every aspect of American life. It is a reminder of the historic relationship between the Chief Executive, who is constitutionally responsible for the current conduct of foreign affairs, and the Department of State and the members of the Foreign Service who serve him.

The Department of State and the Foreign Service can boast a record of service that is older than the Republic itself. It was to the Department of State that the first Congress entrusted the safe-keeping of the Great Seal of the United States. Our Chiefs of Mission abroad are the personal representatives of the President.

So we have a special and time-honored relationship to the Chief of State.

When I first became Secretary of State I spoke of the high regard in which I held the careers you of the State Department and Foreign Service have chosen. I said: 2

... today we are the "shock troops" in the cold war which is being waged against us. Upon us depends, more than upon any other group of men and women in this country, the decision as to whether or not we will meet

this threat, and whether we will meet it peacefully. I cannot imagine a greater opportunity or a greater challenge that confronts anyone than confronts us and our affiliates in the Foreign Service in the Embassies all around the world. We have a tremendous task, a tremendous responsibility, and a tremendous opportunity.

These words expressed what I believed then and they express what I believe now.

We live in adventurous and dangerous times. Such times bring forth great acts. Today we single out a few of the men and women who have responded to the challenge of our times in a manner and in circumstances which are outstanding. That is why they, in particular, are being cited today.

There are, of course, many kinds of service that command such honor. First of all there is courage. One officer of the Foreign Service will not be able to receive his award today because he gave his life to save the lives of others. Other brave acts will receive recognition, acts of rescue and of fortitude in far places.

There is also another form of devotion to duty which is no less deserving of recognition. I refer to the kind of initiative and ability which, in a real and direct way, contributes to the success of our foreign policy. This may take many forms, from the negotiation of a treaty or settlement that requires months of skill and patience, to the completion of a delicate mission calling for tact and boldness in equal measure. It may be the type of consistently high day-by-day performance that inspires others.

Many of the awards today go to members of the Civil Service, which is contributing its full and equal share of outstanding work.

And let us remember those who are absent today. Most of these are members of the Foreign Service who are now on duty overseas. Their awards will be conferred on them at their posts.

¹For a list of individuals and units honored for outstanding performance of their duties, see press release 585 dated Oct. 18 (not printed).

BULLETIN of Feb. 9, 1953, p. 240.

This ceremony is an expression of the morale and spirit of our whole Department and of its generally high standard of performance. It is a reaffirmation of an honorable tradition of service to the nation. The success of our mission is dependent on the total of the skills and dedication which each brings to the performance of his or her task. As the head of the Department, I am at most the sum total of all its parts. As such, I feel proud as I stand here on this occasion.

Now it is my high privilege to present one who knows at firsthand our Foreign Service through his own great services at home and abroad, in war and in peace, one who provides us with our greatest inspiration because of his own life of dedicated service to the welfare of our Nation—the President of the United States.

THE PRESIDENT

White House press release dated October 19

In his opening remarks the Secretary well described my relationships with this great group, both with the Foreign Service and with the State Department civil personnel. So you can understand why I feel that this is a family gathering. I feel it keenly and hope you do the same, because you are the people that execute a responsibility that is laid upon me by our Constitution—the responsibility for the foreign affairs of our country.

You are, of course, in carrying this responsibility, concerned with promoting the prosperity and happiness and well-being of the United States, through solidifying those relations with other nations that will be helpful in this regard.

Now this can be done only in peace. Since the advent of nuclear weapons, it seems clear that there is no longer any alternative to peace if there is to be a happy and well world. I often recall an argument I got into once with a foreign diplomat. He was a member of the British Foreign Office. And he was very worried about the arrangement that had been made to place the control of Germany temporarily in the hands of soldiers. He thought-and I don't know why-that those warweary soldiers would be too anxious to start a war, and finally in rather resentful disgust I said to him, "My friend, I would like for you to know that the soldier has only one excuse for living in this world, and that is to regain the peace that you diplomats lost in the first place."

Now the reason I bring this up is that, even if there was a modicum of truth in what I said then, there no longer is. The soldier can no longer regain a peace that is usable to the world. I believe that the best he could do would be to retain some semblance of a tattered nation in a world that was very greatly in ashes and relics of destruction. But possibly he could keep us from immediate and complete domination by some outside force. That would be a poor climate in which to start again the development of a peace. Certainly it would be a far worse opportunity than we now have.

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The reason I paint this little picture—even in a sort of digression—is this: We have glorious opportunity ahead of us, because we have opportunity in a world that has not yet suffered that kind of destruction—pray God must not suffer that kind of destruction.

In these halting words, and with these halting examples, I am trying to impress upon you my opinion of the importance of your work. There is no task facing the world today so important as maintaining a peace and giving to the world confidence that that peace will be just and lasting.

That is the measure of what you people and those like you—those above you and those below you—in these services must do for America.

Now, some among you today are being rewarded for unusual service. I have been a party to such ceremonies in the military service many times during my lifetime. They reward for courage, unusual ability, and devotion and dedication, just as do you people. And I remind you that in my conviction your work is now more important than theirs. But I want to bring out another point. Those experiences I had in the military service convinced me that the gradations in character among the different services is often difficult to determine. We select one man for a decoration and then another man is not selected. And yet the second man may have faced hardships, dangers, and privation. But you can say, well, if this service is not rewarded what shall we do? I think you can only remind yourself of the words on the Iwo Jima Statue, "Uncommon Courage Was a Common Virtue."

So these people, as they come up to be decorated, will be representative of each of you. Each of you will at least vicariously and in some small part be a recipient of that same award. By the same token, one day undoubtedly you will be standing

Department of State Bulletin

there to receive a token that will be representative of the work of a great body. Because only as we think of it in that way, only as we work together from top to bottom, only as we give loyalty and not jealousy and envy, only as we cling together secure in our confidence that we are dedicated to the great ideals of Americanism, justice and decency and fair play—even for those with whom we are dealing, sometimes at swords-points, across the distances of an ocean—only as we do that can we be truly successful.

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If there is any organization that should have the highest morale based firmly in its own convictions as to the importance of its work, the necessity for successful accomplishment regardless of what critic or opponent may say, a morale based in that high belief in a cause, then that should be the Foreign Service and the State Department—as, indeed, I believe it is.

So you can understand something of the happiness I feel when I gather here with you to witness the decoration of a few among you who, standing as symbols for all, will exemplify and typify the appreciation that your country feels toward them—and each.

Rededication of Memorial to Foreign Service Officers

Press release 568 dated October 11

Following are the texts of remarks made on October 11 by Secretary Dulles; the remarks of Deputy Under Secretary Murphy, who introduced the Secretary; and a letter from President Eisenhower to Mr. Dulles read by Mr. Murphy at a ceremony at the Department of State rededicating the Foreign Service memorial tablet honoring Americans who lost their lives under heroic or tragic circumstances while on active duty in the United States Foreign Service.

Remarks by Mr. Murphy

Mr. Secretary, early in 1933 a significant ceremony took place in the lobby of the old State Department building on Pennsylvania Avenue. A memorial tablet honoring diplomatic and consular officers who had lost their lives in line of duty was unveiled by Secretary of State Henry L. Stimson.

This memorial tablet was just recently moved here to the new headquarters of the Department of State, where it might better serve as a reminder and inspiration to officers and employees of the Department and the Foreign Service, and to visitors who pass through this hall.

Today we are gathered here for the purpose of rededicating this monument to the 65 members of the American Foreign Service who lost their lives under tragic or heroic circumstances between the years of 1780 and 1933, and of paying tribute to the six additional members whose names have been added to this roll of honor subsequent to its original dedication.

Sharing this solemn observance with us from the Department and the Foreign Service, I am happy to note, are Chairman Henry M. Wriston and other members of the Secretary's Public Committee on Personnel, who are so deeply interested in the Foreign Service.

And now it is my great privilege, as President of the American Foreign Service Association, to invite our distinguished Honorary President, the Secretary of State, John Foster Dulles, to speak.

Remarks by Secretary Dulles

I am very glad to respond to the invitation of the President of the Foreign Service Association to rededicate this memorial. Mr. Murphy, as Deputy Under Secretary of State, is also the highest ranking career member of the Foreign Service. On this moving occasion, he represents a corps of men and women whose tradition of quiet devotion to the national interest is older than the Republic itself.

In 1780 William Palfrey, commissioned by the Continental Congress as the first United States consul, was lost at sea on the way to his post in France. Since then, 71 diplomatic and consular officers have lost their lives on active duty under "heroic or tragic circumstances." One died 3 years ago while rescuing fellow workers when the United States chancery building in Korea was destroyed by fire. One lost his life on a torpedoed ship during World War I. Several were killed in earthquakes or volcanic eruptions. Some died of disease while serving in remote posts. A number were assassinated. All gave their lives in the service of their country.

We who come here today in grateful memory of these men of the Foreign Service would do well to keep in mind that it is beyond our power to honor them. It is they who, by the quality of their service, have honored us. It is they who have responded to the challenge of the poet: "Act well your part; there all the honour lies."

Mr. Murphy has a letter from the President of the United States which I ask him now to read.

Letter From President Eisenhower

LOWRY AIR FORCE BASE, COLORADO October 9, 1954

The Honorable John Foster Dulles Secretary of State

I count it a privilege to join with you and the members of the Foreign Service in paying tribute to the men of that Service who lost their lives under heroic or tragic circumstances in carrying out their duties on foreign soil. As we rededicate their memorial let us also rededicate ourselves to the high ideals of the organization which they so nobly served. Under inspired leadership, I know that the men and women of our splendid Foreign Service will tirelessly attack the grave problems before them, with courage, with intelligence, and with full devotion to the proud traditions of our land of freedom.

Sincerely,

DWIGHT D. EISENHOWER

Paris Conference on European Security

Following is the text of a nine-power communique issued at Paris on October 21, together with a statement made by Secretary Dulles at the Washington National Airport on October 19 and a list of the principal U.S. delegates to the Special Ministerial Meeting of the North Atlantic Council.

COMMUNIQUE OF OCTOBER 21

The Foreign Ministers of Belgium, Canada, France, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands, the United Kingdom and the United States of America (M. Spaak, Mr. Pearson, M. Mendes-France, Dr. Adenauer, M. Martino, M. Bech, M. Beyen, Sir Anthony Eden and Mr. Foster Dulles) met in Paris on October 21st to complete the discussions begun at the recent London conference on security and

European integration within the framework of a developing Atlantic community dedicated to peace and freedom.¹ sions

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The Ministers were informed of the agreement reached between the Foreign Ministers of France, the German Federal Republic, the United Kingdom and the United States of America in regard to ending the occupation regime in the Federal Republic.

The nine Ministers then considered the reports of the working parties set up in Paris and London to give effect to the principles agreed at the London conference. They reached agreement on the text of four protocols strengthening and extending the scope of the Brussels Treaty Organization, expanded to provide for the participation of Italy and of the German Federal Republic, and on the text of accompanying documents.

They agreed that the London working group consisting of representatives of Belgium, France, the German Federal Republic, Italy, Luxembourg, the Netherlands and the United Kingdom should remain in being during the interim period before the formal accession of the German Federal Republic and Italy to the Brussels Treaty Organization.

The Ministers expressed to the secretaries general of the North Atlantic Treaty Organization and of the Brussels Treaty Organization, who were invited to be present at the meeting, their thanks for the valuable preparatory work done in the two organizations between the London and Paris conferences and for the facilities placed at their disposal by Nato for their meetings in Paris.

STATEMENT BY SECRETARY DULLES

Press release 592 dated October 19

I am leaving for Paris to follow up the work of the London conference of 2 weeks ago. At that time it was agreed to restore German sovereignty, to amend the Brussels Treaty to admit Germany and Italy and to establish a "Council of the Western European Union," and to bring the Federal Republic of Germany into the North Atlantic Treaty. Since the London conference, work has been proceeding on the completion of the documents needed to put into effect these historic deci-

¹ For text of the final act of the London Conference, Set BULLETIN of Oct. 11, 1954, p. 515.

sions, and it is hoped that the final executive acts can take place at Paris.

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There is first to be a meeting on the questions relating to German sovereignty. This will bring together Chancellor Adenauer and the Foreign Ministers of the three Western occupying powers—Mr. Eden of Britain, Mr. Mendès-France of France, and myself.

Then there will be a meeting of the same nine Foreign Ministers who met in London and who worked out the plan for making over the Brussels Treaty into a means of achieving a large measure of European defense unity. The United States, while deeply interested in this development, will not itself be a member of this Brussels Treaty group. But we will cooperate closely with the treaty powers, within the framework of the North Atlantic Treaty.

Then there will be a meeting on October 22 of the North Atlantic Treaty Ministerial Council. At that meeting, consideration will be given to inviting German membership and to strengthening the authority of the Supreme Allied Commander so that he can more effectively integrate the Nato forces, including those of Germany.

There are many difficult problems to be solved. However, I believe they can be solved if it is possible to sustain the good spirit of cooperation and sense of high responsibility which were developed at the London conference.

As I said in going to that conference,² the primary responsibility rests upon the European countries themselves. The United States, however, has a vital interest in the outcome. We shall be sympathetic and responsive to effective steps by the European countries to promote their strength and unity in the defense of freedom.

U.S. DELEGATION TO NAC MEETING

Press release 590 dated October 19

United States representatives

John Foster Dulles, Secretary of State

Special Assistant, Roderic L. O'Connor

Robert B. Anderson, Deputy Secretary of Defense

Senior advisers

David K. E. Bruce, U.S. Representative to the European Coal and Steel Community

James B. Conant, U.S. High Commissioner for Germany General J. Lawton Collins, U.S.A., U.S. Representative on the Military Committee

C. Douglas Dillon, American Ambassador to France

H. Struve Hensel, Assistant Secretary of Defense for International Security Affairs

John C. Hughes, U.S. Permanent Representative on the North Atlantic Council

Carl W. McCardle, Assistant Secretary of State for Public
Affairs

Livingston T. Merchant, Coordinator, Assistant Secretary of State for European Affairs

Strengthening Pakistan's Economy and Defense Capabilities

U. S.-PAKISTAN COMMUNIQUE OF OCTOBER 21

Press release 599 dated October 21

As the visit to Washington of Prime Minister Mohammed Ali of Pakistan draws to a close, the Government of the United States and the Government of Pakistan consider it fitting to reaffirm their common purpose in striving to assure peace and economic security to their peoples. They are convinced that those objectives can be attained through measures of collective security, self-help and economic cooperation. At the same time, they share a common conviction that their goals can be attained only where fundamental spiritual values are permitted to flourish.

The Prime Minister and cabinet members accompanying him have had discussions of problems of mutual interest with a number of high-ranking officials of the United States, including President Eisenhower, Secretary of State Dulles, Secretary of Defense Wilson and Foreign Operations Administration Director Stassen.

The discussions were preceded and have been accompanied by earnest efforts within the United States Government to determine measures which the United States might take to strengthen Pakistan, bearing in mind Pakistan's special position in the Middle East and South Asia, its unreserved friendship and cooperation with the United States in its efforts for the security of the free world, and the economic problems with which Pakistan is at present faced.

With the report of the special Foa mission sent to Pakistan last summer under the leadership of Mr. H. J. Heinz II, it became clear that, despite its own tremendous efforts, Pakistan was in urgent need of increased economic assistance to ameliorate shortages of consumers goods and industrial raw materials, and that economic development pro-

¹ Ibid., Oct. 4, 1954, p. 489.

grams must be increased if economic stability were to be attained. Accordingly, it has been agreed that the United States Government will make available to Pakistan in the current fiscal year about \$105 million in economic aid, part of which will be in the form of loans. This figure, which is five times last year's aid, includes funds for technical assistance, flood relief as previously agreed upon consequent to the disaster of last August in East Pakistan, and funds for developmental purposes. To meet Pakistan's urgent needs for consumer goods and industrial raw materials, the total figure also includes a substantial amount in the form of agricultural commodities.

Recognizing Pakistan's position in the common defense effort and following the military assistance agreement signed with the United States this spring, the United States will endeavor to accelerate the substantial military aid programs for Pakistan, which are beginning this year. In this connection, the United States cannot make commitments beyond the limits of existing and current appropriations. However, the Government of the United States and the Government of Pakistan intend to continue to study together in this and future years the best means of achieving their mutual objective: the strengthening of the economy and the defense capabilities of Pakistan.

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The Colombo Plan

by Samuel C. Waugh
Assistant Secretary for Economic Affairs 1

The theme of your conference is "Strengthening Economic Ties Between the United States and Asia." There is no need to tell this audience the importance of that objective. Indeed, your Council exists largely for that purpose—to enlarge American understanding of the nature and content of our economic relations with Asia and to strengthen the economic ties between our country and Asian countries.

Neither do I need to tell the members of this audience how important it is for our own interests and for the sake of peace and stability in the world that the aspirations of the countries of Asia for economic progress should be fulfilled. In those countries it is literally true that the future of the democratic way of life and the democratic form of government depends to a very considerable extent on whether or not it will prove possible to

achieve some measurable economic progress, some visible economic development, by democratic methods.

All of the free countries of Asia stand challenged by the totalitarian governments of Russia and Red China. They are constantly being told that enormous progress has been made and is being made in those Communist countries. They are not in a position to say that this is not so. They know, however, that if it is so this progress is being accomplished at a great price in human freedom and dignity.

Nevertheless, whatever progress is being made in the slave states is a challenge to the free countries. The peoples of those free countries—many of them newly independent and newly possessed of the freedom to manage their own affairs—have chosen a system of government that is democratic and free. The peoples in these countries, however, are not academic political scientists; they are farmers in the fields and workers in the factories. To them the worth of a political system is measured by what it can do—what it can produce in

¹ Address made before Far East-America Council of Commerce and Industry, New York, N. Y., on Oct. 14 (press release 575 dated Oct. 13).

For an article on the Colombo Plan, see BULLETIN of Sept. 22, 1952, p. 441.

the way of economic well-being and increasing general welfare.

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To us the outcome of this challenge and this effort is of the greatest importance. I need not belabor with you the reasons why this is so. You know them full well.

I have been asked to talk today about one important set of economic ties between the free countries of Asia and the United States and certain other free countries of the West—the Colombo Plan. In fact, I suggested I might talk to you about the Colombo Plan—in the first place, because I have just returned from Ottawa where I headed our United States delegation at the annual meeting of the Colombo Plan countries; and in the second place, because I think that not enough of our people understand what the Colombo Plan is and what our relationship to the Plan involves.

The Colombo Plan was conceived initially in 1950 as an organization of Commonwealth countries to focus attention on the economic development problems of the countries of South and Southeast Asia. It is designed to provide a framework within which international cooperative efforts can be made to promote sound and enduring economic progress in that area.

As I said, in its origins the Colombo Plan was a Commonwealth concept. It initially included on the one side the economically developed countries of the Commonwealth such as Great Britain, Canada, Australia, and New Zealand; and on the other side the newly independent or not yet fully independent Asian countries members of the Commonwealth such as India, Pakistan, Ceylon, Malaya, British Borneo, plus Burma.

In the interim, however, the geographic scope of the membership has been so radically enlarged that it can no longer be thought of as being, in any way except historically, a Commonwealth project. Not only has the United States since 1951 associated itself as a full member, but other non-Commonwealth countries of South and Southeast Asia have also joined, such as Cambodia, Laos, Viet-Nam, and Indonesia. Last week at Ottawa, Japan was admitted to membership, and Thailand and the Philippines, which had heretofore been observers, also became full members. In all, there are now 17 member countries, and the area stretches from Pakistan to the Philippines. In this area live 720 million people, about 29 percent of the world's population.

A Committee for Economic Development

What is the Colombo Plan? The easiest and most enlightening answer to that question is to explain it is not a plan in the commonly accepted use of the word "plan," but that it is exactly what its title says it is-the Consultative Committee for Economic Development in South and Southeast Asia. It is a committee of nations all of which are, for one reason or another, constructively interested in the economic development of the free countries of this area. It is a consultative committee, not a continuing organization. There were initial formative meetings of the group in 1950 and 1951 at Colombo, at Canberra, and at London. Starting in 1952 there have been annual meetings to review progress in economic development and to assess prospects for the future.

In the course of the formative meetings the member countries of the South and Southeast Asia area were encouraged to formulate economic development programs and thereby to translate their somewhat vague aspirations for economic progress into concrete schedules of definite and identifiable things to be done. In order to lend concreteness and definiteness to the undertaking, the countries agreed to envisage a 6-year period extending from July 1, 1951, to June 30, 1957, and to set down as specifically as possible what, during this period, they hoped to be able to accomplish, how they expected to finance their programs, what policies and legislative measures they expected to have to pursue, and what goals of investment and production they hoped to be able to reach.

These economic development programs—each of which is an individual country development program—when taken collectively are known as the Colombo Plan.

The subsequent meetings, which took place after the formative meetings, were held in 1952 and 1953 at Karachi and New Delhi, and this year (1954) in Ottawa. At these annual meetings the countries of the area review the results of the year just passed. They lay out on the table for frank and friendly discussion what they have accomplished, what they have failed to accomplish, what difficulties they have encountered, what changes they have felt constrained to make in their development plans, and what policies they have pursued. Similarly, they evaluate their prospects for the future; they try to assess what is likely to happen in the way of changes in the terms of

trade, increases or decreases in public revenues, shortfalls or overages in the achievement of specific development targets. They appraise what has been available to them heretofore and what is likely to be available in the future in the way of external assistance. They examine what has been and what is likely to be the role of private foreign investment in their economic development, what they have done and left undone to attract foreign investment and mobilize domestic capital.

The Colombo Plan period from 1951 to 1957 is, you will notice, just a little bit more than half over. After the formative meetings the significance of the 6-year framework has, I think, become progressively less. The usefulness of the 6-year concept was that it helped and enabled the countries of the area to view their development problems more concretely. It forced them to examine their problems and their aspirations in terms of what definite, concrete things could be done within a finite and agreed period of time. This searching examination by the Colombo Plan countries was very healthy. It made for realism and for a very valuable, if painful, translation of general plans into precise projects.

Annual Review of Progress

Now, however, the benefits of this rigid time period have been realized. It is no longer necessary or even very useful to continue refining and modifying the 6-year targets. Indeed, at the very first annual review meeting—that held at Karachi in 1952—it was agreed by the Colombo Plan countries that they would no longer keep making technical and statistical adjustments in the 6-year plans. The plans were sufficiently definite that it would be possible—and more useful—to meet each year to review and assess what had been accomplished in the preceding year and to evaluate the tasks and the problems for the foreseeable period lying ahead.

It has been customary in the deliberations of the Consultative Committee to draw a loose line of distinction between the so-called recipient countries and the so-called contributing countries. The distinction is, however, becoming more and more a tenuous one because—and this is one of the great virtues of the Plan—there has been engendered a process of cooperation and mutual aid among the recipient countries such that almost all of them

are to greater or lesser extent contributing countries to one another. They borrow technical skills and technical assistance from each other according to their respective needs and their respective capacities to assist.

Nevertheless, certain member countries obviously are altogether or almost altogether contributing countries. The United States is one of this group.

I have said that we are a full member of the Colombo Plan. I have also said that we are a contributing-country member. Now what does this mean?

The point that must be emphasized is that the Colombo Plan is simply an intergovernmental committee. We do not contribute anything to any central pool. There is nothing analogous to the Organization for European Economic Cooperation. There is no process by which the contributions of the contributing countries are parceled out or allocated by any international organization. Our assistance to the countries of the arealike that provided by Canada, Australia, New Zealand, and the United Kingdom-is bilaterally given and bilaterally received. Our contribution, in other words, is the sum total we do in the various countries of the area to promote the economic development of those countries. Our aid programs are our governmental contribution. We are not under any contractual obligation either to provide any definite amount of assistance to any one country or to all of them taken together; nor, for that matter, are we under any contractual obligation to provide aid at all to any particular country. In Burma, for example, our aid program terminated at the request of the Burmese Government.

Neither are we under any obligation to provide assistance in any uniform way or according to any uniform pattern. Our aid programs in Viet-Nam, Laos, and Cambodia have been very different in their nature and orientation from our programs, for example, in India and Indonesia. Nevertheless, whatever we do to help to promote economic development in any of the countries of the area is accepted and regarded as our contribution in relation to that particular country.

I have been emphasizing our aid programs and our public contributions toward economic development in this area. Indeed, the whole Colombo Plan intellectual framework emphasizes to a very large extent public programs of economic development and public techniques of intergovernmental ernmention to public throug the aid by gov tangible Nevertrate u

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cooperation. This is understandable. The governments of the area naturally are in a better position to measure what has been accomplished by public action and to assess what needs to be done through public development projects. Likewise the aid that is given by governments and received by governments is easier to measure than the less tangible benefits of private foreign investment.

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Nevertheless, this natural tendency to concentrate upon what is done in what these countries call "the public sector" does not reflect any unhealthy bias in favor of public projects. Indeed. the countries of this area are fully aware of the benefits of and their need for private foreign capital. They have, for example, included prominently in their calculations of sources and possibilities of external assistance an assessment of what can be borrowed on the private international capital markets and of what steps need to be taken by them to improve their credit-worthiness. Many of the countries in the area have taken specific measures to improve the climate for foreign investment. They have issued official declarations welcoming foreign enterprise either in general or at least in specific fields. They have publicly recognized also that government measures are not the only factors governing the import of capital, and, for that matter, that the mere absence of discriminatory government measures is not in all cases sufficient to overcome the shyness of foreign capital. Hence they recognize further that if they desire foreign participation in specific fields they will probably have to take positive steps to attract

Therefore, in the various annual reviews the Colombo Plan countries have recognized and welcomed any evidence that may have developed during the preceding year of willingness on the part of foreign investors to undertake enterprises in the countries of the area, especially if these enterprises happen to be undertaken jointly with local capital—as was the case, for example, with the Sui gas project in Pakistan and the oil refinery investments in India and as promises to be the case in the investment finance corporations being established in India and Ceylon.

Private Capital Mobilized

The countries of the area have not only, therefore, recognized the need and the scope for private foreign participation in the development process;

they have also recognized the overwhelmingly urgent problem of mobilizing private domestic capital. In the most recent annual report, for example—that which was just prepared at Ottawa and which has not yet been published—they have noted that governments can help to mobilize private capital by seeking to minimize the hindrances to initiative arising from such factors as burdensome governmental regulations and irksome methods of tax administration.

In the annual meetings the countries of the area are prepared to face frankly the difficulties that exist and the shortcomings which have manifested themselves. These meetings are by no means a eulogy upon the accomplishments of the year just finished. They are rather a frank and friendly review of what has been done and what still needs to be done.

The prevailing tone, for example, of the annual report just drafted at Ottawa is one of optimism combined with stark realism. The countries, when they reviewed the pace and the content of economic development during the year just passed, were able to conclude that significant and encouraging progress had been made in a number of important respects but that there was no room for relaxation of effort. They recognized that in some countries the progress realized was relatively small; that throughout the region as a whole the population has been growing rapidly (indeed, at an annual rate of slightly over 9 million) and that, therefore, food production per capita (despite very creditable increases in total food output) was still below prewar levels; that underemployment in rural areas was widespread and that unemployment in urban areas, particularly of educated persons, presented a serious social problem; that trained personnel in many fields was not vet available in sufficient numbers: that in some of the countries of the area the process of formulating balanced development programs was still not far enough along; that there was only a narrow margin of production over consumption and that, therefore, the level of savings and the level of tax revenues provided on the whole only a precarious base for development financing.

This is indeed a formidable enumeration of problems to be faced and difficulties to be overcome. It is, of course, not the whole story. Just as I did not want you to think that the annual meetings of the Colombo Plan group of countries were limited to an uncritical eulogy of results

achieved, neither did I want you to think that they represent a session of breastbeating and complaining over the hardness of the task. Indeed, at this same Ottawa meeting which produced the catalogue of problems which I summarized a few minutes ago, the countries of the area were able also to record that their own outlays on development had increased considerably over those for the preceding year. In India, for example, development expenditures by public authorities for the year 1951-52 were roughly \$550 million. For the year 1953-54, they had increased to \$705 million and are expected for the year ending June 30 next to approximate \$1,170 million if financing is available. For Pakistan the comparable figures are for the fiscal year 1951-52, \$125 million; for the fiscal year 1953-54, \$275 million.

These, indeed, are very creditable results and expectations. I mention them merely lest you think that the sessions of the Colombo Plan meetings are devoted entirely to lamenting over the difficulties of the economic development problems of the area. But to return to the summation of the problems, the frankness with which the countries of the area have discussed among themselves and with us their problems and difficulties and shortcomings is in its aggregate a most gratifying experience. I am reminded of the remark made at the 1953 Colombo Plan meeting by Indian Finance Minister C. D. Deshmulh (who was the chairman) that the Colombo Plan was "a great experiment in human relations." It is very rarely that governments are able to come together and with so much freedom and honesty and openness to say what they have done, what they have failed to do, what they still need to do, what they intend to do, and what are the political and cultural limitations upon what they can do.

If there is any conclusion to be drawn as concerns what the members of this Far East-America Council might learn from the experience, at governmental level, in the Colombo Plan, it is, I should think, that there are almost limitless possibilities of fruitful cooperation between the United States and the countries of Asia if there is evidenced the same frankness, the same patience, and the same understanding. We in government know that there are difficulties in the way of establishing business connections in the countries of Asia. We know that there are frictions, there are uncertainties, there are difficulties of mutual understanding. However, from our experience at the

governmental level we are quite certain there is a great fund of common interest and of common viewpoint. We conclude, therefore, that there is much which should be done and can be done to accomplish the objective stated as the theme of this conference: "Strengthening Economic Ties Between the United States and Asia."

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Transfer of Destroyers to Japan

Remarks by Everett F. Drumright 1

I consider it a great honor to represent the Secretary of State on this important occasion. Two destroyers of the United States Reserve Fleet are being turned over today on loan to the Government of Japan under the Mutual Security Program. His Excellency the Ambassador of Japan [Sadao Iguchi] is with us here to receive the vessels on behalf of his Government. Two Japanese crews, comprising officers and men of the Japanese Maritime Self-Defense Force, have been the welcome guests of this country for several weeks while they have been trained in the handling of these vessels. These Japanese crews will take the destroyers to Japan, where they will be an important addition to the modest defensive forces which Japan has now begun to establish.

It is appropriate for us to recall at this moment the words of Prime Minister Yoshida at the San Francisco Conference, on the conclusion and signature of the Treaty of Peace with Japan. At that time he so aptly stated:

Unfortunately, the sinister forces of totalitarian oppression and tyranny operate still throughout the globe. These forces are sweeping over half the Asiatic continent sowing seeds of dissension—spreading unrest and confusion—and breaking out into open aggression here and there—indeed, at the very door of Japan.

The Prime Minister went on to say:

When the Allied troops are withdrawn from our country with the conclusion of peace—producing a state of vacuum in the country—it is clear as day that this tide of aggression will beat down upon our shores. It is imperative for the sake of our very existence that we take an adequate security measure.

To meet the danger he had described, Prime Minister Yoshida shortly after the conclusion of the peace treaty signed a Security Treaty entered

¹Made at Charleston, S. C., on Oct. 19 (press release 583 dated Oct. 18). Mr. Drumright is Deputy Assistant Secretary for Far Eastern Affairs.

into between Japan and the United States.² In this treaty the United States indicated its willingness to maintain certain of its armed forces in Japan, in the expectation that Japan would increasingly assume responsibility for its own defense against direct or indirect aggression. This treaty recognized the threat of aggression against Japan and Japan's inability at that time to provide adequately for its own defense.

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The danger that Prime Minister Yoshida so fully recognized at that time still exists. Japan continues to be a major target of the international Communist conspiracy. However, since September 1951 the Government and the people of Japan have taken steps to assume increasing responsibility for the defense of their homeland. In the last session of the Diet, approval was given to the expansion of Japanese armed forces. The mission of these forces was also amended to include specific responsibility for defense against external aggression. In the meantime, the Japanese Government and the U.S. Government had signed a Mutual Defense Assistance Agreement.³ This gives the legal basis for the United States to provide military assistance to Japan under the Mutual Security Program. This program is based on the premise that only by true mutual effort can the nations of the free world reserve their independence and freedom. I cannot help at this moment but recall your very profound statement, Mr. Ambassador, at the Japan Society Dinner in New York City on March 18, 1954. You then said:

In this common endeavor for our mutual self-preservation, Japan is now ready to contribute her proper share. Out of the tragedy of war and out of the political, economic, social, and moral convulsions which followed in the wake of conflict, Japan has emerged with a keen realization that she cannot stand alone in this world.

Mr. Ambassador, no member of the free world community can stand alone today. Our very presence here in Charleston is indicative of the true mutuality of the free world. The loan of these two vessels to your Government represents not only the intention of the U.S. Government to assist in the defense of Japan, but also the desire of your Government to assume this responsibility. The strength of the entire free world is dependent on the individual strength of its members. We have very recently seen in the conclusion of the Manila Pact further recognition of the interdependence of free nations in their common determination to resist aggression. Your Foreign Minister has pledged Japan's moral support to this arrangement. As time progresses, Japan will achieve its own position of strength in the Far East and will be better able to contribute to the common effort.

These two vessels—the Asakaze, meaning Morning Breeze, and the Hatakaze, meaning Flag-fluttering Breeze—will play their part in securing the defense of Japan. I am sure that the Japanese Maritime Self-Defense Force has chosen well you officers and men who take these vessels back to their duty stations. I know that you will take back to Japan more than the technical knowledge of ships acquired during your few months of training here. I am sure that you will take back to your people the strong friendship, esteem, and good will which our people feel for yours.

I wish you a pleasant voyage and success in your future missions.

Letters of Credence

Union of South Africa

The newly appointed Ambassador of the Union of South Africa, Dr. John Edward Holloway, presented his credentials to the President on October 18. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 582.

BULLETIN of Sept. 17, 1951, p. 463.

¹Ibid., Apr. 5, 1954, p. 518.

Economic Development and Political Evolution in Asia

by Charles F. Baldwin
Economic Coordinator, Bureau of Far Eastern Affairs 1

The political evolution of a nation and of a people is not something which develops out of the doctrines of political philosophy or the activities of political leaders alone. It comes about as a result of a fusion of the forces which most directly affect and condition the lives of the people of the country. One of the most influential of those is the economic force.

It is surely true that man cannot live by bread alone. The materialistic doctrines of Marxian dogma leave unsatisfied urges of mankind which far transcend the material. It is, however, equally true that the spirit of man, which stimulates the political development of free men, finds hope and encouragement in an atmosphere of material progress and personal well-being. That fact is implicit in the concepts of democracy.

One of the vitally important necessities of modern life is to see international developments in reality-not influenced by preconceived ideas or wishful thinking. If we look beneath the surface of Asian events today—as we must if we are to understand them clearly—we see Asia as a vast area where two powerful political movements have been occurring simultaneously. One of them, which represents the age-old longing of human beings to control their own destinies, we can call the revolution of Asian nationalism. The other, representing the equally old determination of a ruling clique to gain and exercise power by any means, is the massive and menacing impact of communism. One of these forces could light the way to greater human freedom and advancement

in Asia; the other could extinguish that light for a long time.

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Since the last war the political status of hundreds of millions of Asians has been changed completely. Before the war no country of South and Southeast Asia, with the single exception of Thalland, governed itself. Now, all of them (India, Pakistan, Ceylon, Burma, Indonesia, the Philippines, Thailand, Cambodia, Laos, and the non-Communist part of Viet-Nam) are self-governing—all except Malaya, which has been promised its independence by the British Government. This is an historical fact not only of profound political importance but of almost equally significant economic importance.

The government of each of these newly independent countries bears the heavy responsibility of establishing and maintaining an economic climate which will be conducive to political stability—an atmosphere in which the spirit of political independence and personal freedom will flourish. Essential to the welfare of these countries, therefore, is a process of economic development which will insure a steady increase in the opportunities for the advancement of their people and which will better satisfy the aspirations of their people.

This need for economic growth is a basic part of the economic problem of Asia, which is really two problems which tend to be complementary. Japan, the only country which is highly advanced industrially, has experienced the characteristic postwar difficulties of the large industrial countries, complicated by a shortage of natural resources. All of the other free Asian countries reveal the customary characteristics of retarded

¹ Address made before the Far East-America Council of Commerce and Industry, New York, N. Y., on Oct. 14 (press release 577).

economic development. In all of them progress—in some of them considerable progress—in attacking the problem has been made, but a great deal more remains to be done.

The people of these countries want a higher standard of living. Their governments have promised them a higher standard of living. If those promises are not kept, or if for any other reason economic improvement does not take place, public disillusionment and resentment will replace hope and confidence, and the opportunities for troublemakers to take advantage of public discontent will multiply.

There is a temptation, when we are confronted by problems so vast and perplexing as those of Asia, to resort to generalities which, while momentarily comforting, do not always hold up under analysis. The problem of economic underdevelopment in Asia is far reaching, deeply rooted, and not susceptible of quick and easy solution. It is possible, however, to identify the main elements of the problem and to suggest at least an approach to the solution.

Low Per Capita Incomes

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The most simplified statement of the basic problem is that the income of the average Asian is too small to produce the savings needed to finance adequate economic development. Japan, Malaya, and the Philippines have annual per capita national incomes equivalent to around \$200. The figure for Ceylon is roughly about one-half of that amount; in Thailand, the Indochina states, and Indonesia it ranges from about \$60 to \$75, while in Burma and India it is even lower. In an area of rapidly increasing population, an income which is distributed so thinly is unable to satisfy basic needs and also provide sufficient economic stimulus to raise appreciably the relatively low level of economic development.

There are, of course, factors other than low income and a slow rate of capital formation which are retarding economic progress. Because of the inability to generate internally sufficient capital for investment purposes, a steady and increasing flow of outside capital could be an important economic stimulant. Unfortunately, the movement of foreign private investment capital to Asia since the war has been little more than a trickle in comparison with the needs. In recent years net private foreign capital investment in the countries

of South and Southeast Asia has amounted to only about \$25 million per year, slightly over one-half of which has been United States private investment. One can hope that more foreign private capital will move into free Asia for productive purposes within the next few years, but it seems unlikely that such additional resources will be sufficient to change appreciably the overall economic situation in the near future.

Directly affecting the scale of economic development in Asia is the problem of human attitudes. Under the most favorable circumstances the evolution of new ideas and practices in Asia will require time and painstaking effort. The gap between the concepts about material aspects of life of a great many Asians and of dwellers in more industrially advanced countries is wide. Many of those concepts have a deeply rooted religious and philosophical basis, and the task of adjusting them to the requirements of a more complex economic society will challenge the wisdom and patience of Asian governments and leaders. In fact, the ability to bring about this transition under tolerable conditions may prove to be one of the greatest tests of the governments of Asian countries.

Essential to the accomplishment of this transition will be the development of an entrepreneurial group of sufficient size and experience to undertake and manage the kind of projects which are needed.

Equally necessary will be an enlargement of the present Asian reservoir of skilled technicians. The technical assistance programs which have been carried on in Asia with the support of the United States and other countries have begun to reduce the proportions of this problem to some extent, but it is still a fundamental obstacle. A great deal more in the way of technical training in the shortest possible time will have to be accomplished, both by private enterprise and by governments in Asia, before a sound technical foundation to support a durable structure of economic development can be built.

Closely associated with the human factor is the need for sound governmental policies to support the process of economic growth. Wise budgetary and fiscal policies will be necessary to prevent "feast and famine" trends and to derive full benefits from each stage of economic progress. This will not be an easy task, particularly for the gov-

ernments of the newly independent countries which are having to learn quickly the difficult lessons of governing in the modern world, but it will be an essential task.

Basic Objectives

There are differences of opinion with respect to the best means of accelerating economic development in Asia. To the young Dyak whom I met a few months ago in the interior of Borneo and who was studying better methods of basic agriculture under an Australian technical instructor, economic development has one meaning. To the Chinese manager of a new textile plant in Singapore whom I met a few days later, it has another. The pattern must, of course, necessarily vary according to different conditions in different countries. In general, however, the following objectives should be sought—and in fact are being sought by many of the country developmental programs today:

A basic objective should be to increase agricultural efficiency, exploit agricultural potentialities more fully, and better diversify agricultural output. The free Asian countries have essentially agrarian economies; the process of their industrialization should rest upon an increasingly strong foundation of agricultural productivity. In the countries of free Asia there is a challenging opportunity to demonstrate that economic development in a free society need not be at the expense of agriculture, as it has been under Communist planning, but can benefit the tillers of the soil as well as the workers in industry.

Another objective should be the provision of more adequate transportation and a more abundant supply of power. Those of you who have traveled off the well-beaten paths in Asia need not be reminded of the primitive transportation facilities which are often the rule rather than the exception. The provision of better transportation and more abundant power should, of course, be designed to stimulate and not outdistance the general pace of economic development, but it can and it should be an important stimulant.

An essential objective should, of course, be the development of industries which are economically justified and most likely to contribute to economic growth and to the expansion of trade. This is the most alluring sector of any economic development program and the one which presents the most dangerous pitfalls. In this vitally important phase of economic development, intelligent and realistic forethought will be necessary to avoid the uneconomical expenditure of time, effort, and money and to insure that industrialization will be of the kind most suited to the available human and material resources.

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There is a rather understandable tendency in most underdeveloped countries to try to emulate the more highly industrialized countries without always considering fully the phases of development through which those countries have passed. While big, basic industries play a vital part in the economic life of the United States and other industrial nations, the role of the small industries has also been a vital one. Their role in the economic growth of Asia can also be of fundamental importance.

Private American businessmen and investors have already been able to contribute substantially, directly and by example, to the economic development of Asia; they should be able to make an even more important contribution in the future. Every Asian employee that is trained, every employee benefit program that is instituted, every new, constructive investment that is made, and every new technical process which is introduced and applied assists in the endeavor. Many American firms are doing these things today. We hope that the number will increase in the future.

The need for workable plans of economic development and for their accomplishment is recognized by almost every enlightened Asian. It is highly important from the standpoint of the security of the people of the free world that these plans should be realized. Only by their realization can the trade of these countries with their great populations be expanded with benefits not only to themselves but to other countries of the free world. Only by their realization can Asian expectations be satisfied and economic and political stability achieved.

The problems which will continue to arise in Asia will test the capacity of the Asians and of their non-Asian friends to concentrate on the larger and essential objectives and not be distracted by momentary setbacks and rebuffs. Many countries of Asia are endeavoring to achieve economic evolution in a relatively short period of time and under conditions much more disad-

vantageous than those which attended the growth of the now highly developed countries. As they struggle to develop, they will need the friendly and sympathetic understanding and assistance which the United States and other economically advanced countries can extend to them. By the ex-

tension of such assistance, we can demonstrate our good intentions and the sincerity of our friendship. We can also make more secure for the free people of Asia as well as for ourselves the benefits which economic, political, and social stability in a free society can make possible.

The Need for a More Liberal Foreign Trade Policy

by Winthrop W. Aldrich
Ambassador to Great Britain 1

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I have now spent almost 2 years in London. In the course of these 2 years I have had the privilege of observing at very close range a truly extraordinary series of American diplomatic successes. Under the wise guidance and leadership of President Eisenhower and Secretary of State Dulles the United States has been cast more and more in the role of a good partner in the fellowship of nations.

The Korean War was fought by us in that spirit of partnership against aggression which gives the United Nations meaning; and the armistice which came at last was the result of long and concerted effort by the free nations.

In this spirit of partnership we were able to assist Great Britain and Egypt in the final settlement in regard to the Suez Canal Base. In this same spirit we also played a helpful part in the conclusion of the Iranian oil dispute.

The Manila Pact and the ringing Pacific Charter that was signed there were twin landmarks. The pact was a firm step in collective self-defense in Southeast Asia, and the charter was a bold proclamation of the principles of self-determination, self-government, and independence in that part of the world.

And now within the last few days can be added the triumphant conclusion of the Nine-Power Conference and the signing of the Trieste Agreement.

The pact that was signed at the Nine-Power Conference is, I believe, the best arrangement for the security of Western Europe that could be found after the rejection of EDC. Out of the vacuum that the collapse of EDC created, and the anxious month that followed it, has emerged a workable plan for the sovereignty and rearmament of Germany and a hard core of unity at the center of the North Atlantic Community. The successful work of the architects at London has been crowned by the approval of the German Bundestag and—just the day before yesterday—by the approval of the French National Assembly.

During the whole period of the Conference Great Britain and the United States worked together in the closest fellowship. We rendered support to our great ally, who had taken the initiative in finding a plan to fill the vacuum created by the rejection of Epc.

Because the collapse of the EDC plan was a collapse from within, Mr. Dulles wisely felt that the initiative for new proposals at the Nine-Power Conference rested with the European nations there. But his statesmanship helped to guide the Conference over many shoals.

Trieste was also essentially a European problem, a 9-year fever spot where the territorial wishes of Italy and Yugoslavia appeared irreconcilable. But a long year of discussions and con-

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¹Address made before the Board of Trade of New York at New York, N. Y., on Oct. 14 (press release 576).

ferences, in which Great Britain and the United States assisted, finally brought about a compromise, and one more danger spot has been removed.

All of these events that I have enumerated will cause no comfort to the Soviet. The partnership of free nations has been tremendously strengthened by these achievements.

And now to speak of more immediate business.

Importance of Trade Relations

As members of the Board of Trade in the largest port and the leading commercial center of our Nation, you are vitally concerned with the foreign economic policy of the United States. As American Ambassador to one of the world's great trading nations, I have been impressed anew with the enormous importance of our economic relations with the rest of the world, not only in the economic sphere but in the political and military spheres as well.

The phenomenal growth of our country and its transformation in so short a time from a new underdeveloped continent into the greatest economic power on earth have caused our foreign trade relations to become a problem of extraordinary urgency.

I believe that an increasing number of our people, and particularly of our business community, have became aware of the problem and clearly understand where the solution lies. And we are indeed fortunate that today we have in the White House a President who has this clear understanding.

To meet the needs of the times, the American people should have as one of their main objectives the promotion of the highest possible levels of international trade.

As a nation devoted to the ideal of free, competitive enterprise, we have a natural leaning toward a world in which trade is conducted on a multilateral basis, in which there is no discrimination between sources of supply, in which every businessman has a chance to trade according to his choice and his capabilities, in which there is a minimum of government interference, and in which currencies are freely convertible. We all know that these conditions will not be created unless the U. S. is prepared to take a hand in bringing them about.

That is why I believe the recent recommenda-

tions of the President's Commission on Foreign Economic Policy,² headed by Mr. Clarence B. Randall, should be adopted. They constitute a hardheaded practical program designed to fit smoothly into our American economy and to further the national interest.

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We must not let ourselves be deluded into thinking that anything we do in this direction is merely for the benefit of other people or is designed to save the whole world at our own expense. Quite the contrary. A liberal foreign trade policy for the U. S. is dictated by the intelligent self-interest of the American people. It will certainly help other free nations, and it will certainly strengthen the bulwarks of freedom everywhere. But it is equally essential for our own increased prosperity here in America and for the ultimate security of our own land and our way of life.

Since I have been in London I have had it brought home to me time and again how direct and sharp are the effects of our foreign trade policy on our own economic welfare in the United States.

Large numbers of Americans count on export markets for their livelihood and their standard of living. In agriculture alone we have about 40 million acres representing from 10 to 12 percent of the Nation's agricultural output, whose harvests go into the export trade. There are many American factories that sell their manufactures throughout the world. President Eisenhower has pointed out that the jobs of more than four million of our people depend on foreign trade.

Exports Dependent on Imports

It is an elementary fact of economic life that if we expect to receive dollars in payment for our exports, we have to make those dollars available abroad.

What does this mean? It means simply that if we restrict our imports under the theory that we are protecting America and the American standard of living, we are in fact doing exactly the opposite. Restriction of our imports means restriction of our exports. And that can mean reduced employment and living standards not only for the many Americans—farmers, manufacturers, workers—depending on exports, but for the American

² Bulletin of Feb. 8, 1954, p. 187.

consuming public as a whole, which has to pay higher prices for its goods.

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This point strikes you with much more force if you are sitting, as I do in London, at one of the points abroad where America buys and consequently is able to sell—or, sometimes unfortunately, where America does not buy and consequently cannot sell.

Day after day in London we in the Embassy have visits from Americans anxious to sell their products in the U.K. and British Commonwealth. They want to sell automobiles and hardwoods and fruits and many other U.S. products. They always get the same reply. "We like your products. We want them. But we do not have enough dollars. If we were able to earn the dollars, we would gladly buy from you."

And at the same time we hear from British businessmen of the difficulties they encounter in our market, of delays in customs formalities, of high tariffs in many cases, of low bids rejected on the basis of our Buy American requirements, and, above all, of uncertainty because of escape clauses or other provisions of our tariff laws governing the conditions under which they may do business.

All these difficulties that are put in the way of foreign imports to the United States frustrate the foreign exporter. But at the same time they do something else. They frustrate the American exporter as well. Every time we stop a possible import, we lose a probable sale abroad.

If we do not move in the direction of a more liberal trade policy, there is every likelihood that we will not stay where we are in foreign trade matters. We are more likely to move backward into the morass of greater restriction, narrow bilateralism, and lower volumes of trade. These things have a momentum of their own, backwards as well as forwards. Such a development could endanger our whole economy.

It is a fact of great significance that one of the main factors which kept our recession last winter from getting worse was the maintenance of a high demand for our goods abroad.

I believe the preponderance of opinion among American businessmen, farmers, labor leaders, and economists today is tending increasingly to the view that a more liberal U.S. foreign trade policy is essential to our own national prosperity.

But today there is an even more urgent reason-

over and above economic self-interest—why we should follow the lead of President Eisenhower and support a higher level of two-way trade. It is this: The safety of our Nation demands it.

This is an entirely new development. And again it is due to the tremendous importance which the American economy has now achieved in the world picture. Our market is so huge that a small upward or downward movement in our imports, unimportant as it may be in relation to our total consumption, may mean the difference between prosperity and depression for many other countries. And if things go seriously wrong with our economy and if we do not behave reasonably, intelligently, and fairly in the manner in which we handle our large share of world trade, economic havoc can be created in many places where it is to our national interest to see prosperity, stability, and good will.

In the world of today we must cultivate our friendships and strengthen our alliances. One of the most important factors in this process is the manner in which we deal with our foreign trade.

Liberal Policy Essential to Defense

There are three very specific reasons why a more liberal foreign trade policy is essential to the defense of the U.S.:

- (1) If we provide a better market for our friends, we strengthen their economies. This makes a stronger foundation for their own defense efforts and makes their lands more immune from the enemy's fifth column, which feeds on economic difficulty. By liberalizing imports we achieve this by trade, which benefits ourselves as well as the other countries.
- (2) Friendly countries that are denied access to the American market must find markets elsewhere. Our enemies do not miss any opportunity to exploit our shortcomings. They say, "You see, you cannot trade with the United States. Trade with us instead." To many who have found difficulty in trading with us, such as the Dutchman or Dane whose cheese or whose butter has been excluded from the United States, these words are bound to have their effect. Such offers have already had some serious effects on American trade as well as on our common security.

Now a certain amount of East-West trade may do no harm. It may possibly do some good. But it would become dangerous if there should be too great a dependence by smaller and weaker countries in Europe and the East on Soviet markets for their prosperity and economic existence.

(3) As the strongest nation in the partnership of the free world, it is vital for the United States to keep the confidence of the nations to whom we are allied and on whom we depend. Time and again we have taken the initiative in suggesting and working out action which later on has been successfully taken by the free nations in concert. But I would be less than frank with you if I did not say that every time we seem to doubt or waver in the adoption and continuance of a firm liberal trade policy for the United States, we sow the seeds of doubt in the minds of other countries as to our dependability as a leading partner. Every time the Buy American act is enforced to favor the purchase of some higher costing American equipment over a lower foreign bid, it causes only a small ripple of interest on this side, but I can assure you it creates waves of headlines and criticism, resentment, and bitterness in the country affected overseas. The cost of this kind of socalled protection for a single American firm is terribly great to our Nation as a whole.

Randall Commission's Recommendation

That is why I would so strongly endorse the recommendation of the Randall Commission to amend drastically such discriminatory legislation. And that is why I believe so deeply in the wisdom and necessity of our adopting promptly the rest of the foreign economic policy which has been put forward by President Eisenhower.

Since the war, in addition to helping other countries militarily and financially to regain their strength, we have taken the lead in trying to develop sound trade rules based upon the principles of private enterprise, free competition, individual initiative, and equal opportunity. We have preached this gospel fervently to the rest of the world. I believe that we as well as others should live up to it.

One important step we can take is to enable the United States to play its full part in the General Agreement on Tariffs and Trade (GATT), which provides a framework of worldwide trade rules.

Our participation has been partially clouded by the fact that Congress has neither approved nor disapproved the Gatt. Nevertheless, its rules have been largely accepted as the rules of international trade. The countries which are parties to it have met frequently and have settled many trade problems which might otherwise have grown into troublesome disputes. A remarkable atmosphere of mutual understanding and trust has grown up in Gatt, which is potentially a great unifying force in the free world. Such understanding and trust are especially necessary when, as at present, the Soviets ¹ are intensifying their "trade peace offensive."

Many countries are anxious to proceed with further negotiations for the reduction of tariffs. But no group of countries is willing to go ahead with any significant tariff action unless the United States can participate in the necessary negotiations. Until we adopt the President's proposal for cooperation in this field, we are not in a position to participate.

There are other practical reasons why we should favor the promotion of a high level of world trade as widely as possible on a multilateral basis. About 85 percent of our imports are raw materials mainly from underdeveloped countries. There is also the special problem of Japan, which must be taken back into the Western society of trading nations on a fair basis so that she can again earn her living without unusual subsidies. To accomplish this, there must be a concerted effort in the free world to make room for perhaps an additional 500 or 600 million dollars' worth of annual Japanese exports during the next few years.

Need for Action Now

I have just one other point to make.

Never has the time been more ripe for action in this field than this present moment.

Partly as a result of our own efforts and assistance, partly as a result of the energy and determination of the other countries themselves, many nations of the free world have largely recovered from the effects of the war. Their currencies are more stable, their production is once again forging ahead beyond the prewar levels, their gold and dollar reserves are rising. The rationings and restrictions of wartime are being discarded one after another. There has been an increased swing toward economic freedom in many countries, particularly in the last 2 years. And

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many nations in Europe and in the British Commonwealth are beginning to talk seriously about convertibility and return to the healthy trade conditions which we all desire.

But I think it is now clear that the final steps will not be taken by many countries until they feel sure that we, too, will continue to move in the desired direction.

President's Views

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It is encouraging to know that President Eisenhower is keenly aware of this situation and of the need for maintaining the present momentum toward freedom. In his letter to Mr. Harry Bullis of General Mills some weeks ago,³ the President wrote: "The prudent widening and deepening of the channels of trade and investment by us will not only produce good results in themselves, but will encourage similar action by our friends abroad. That is the route to better markets and better feeling."

And the President added: "It is my present intention to give high priority to progress in this whole field in planning for next year's legislative program."

New developments and new needs are coming to the fore in large areas of the world. The free nations stand at the point of transition from emergency to long-term policies. What form these policies take will depend to a very large extent upon our national decisions in the months ahead.

We cannot afford to miss this opportunity to take action in behalf of the economic welfare of our own people and the security of ourselves and our friends the world over.

It is of the utmost importance, therefore, that the American people support President Eisenhower in his efforts to move as rapidly as possible toward a forward-looking foreign economic policy. In this effort I think the business community has a special responsibility. Perhaps more than anyone else in our country, our leaders of commerce and finance, of industry and agriculture, can see clearly what we have to gain if we succeed and what we risk losing if we fail.

With the peace and prosperity of our land so clearly at stake, I am confident we shall succeed.

Press release 604 dated October 22

Acting Secretary Hoover and Attorney General Herbert Brownell, Jr., on October 22 agreed that it would be in the national interest to admit to the United States 22 Polish seamen who defected from communism while their ships were in Formosa. The grant of entry was under the section of the Immigration and Nationality Act which gives the Attorney General discretionary power to admit aliens who would otherwise be inadmissible, when there is a showing the entry would be in the national interest.

Instructions relative to admission of the seamen to the United States have already been sent to Formosa by the Department of State.

Petty Offenses Under Immigration Laws

Press release 593 dated October 20

A single petty offense against the law is no longer a bar to granting an alien a visa to enter the United States.

Visa applications are now being considered by the Department of State under provisions of a new regulation permitting issuance of a visa to an alien notwithstanding his conviction of a single offense which under American legal standards would be a misdemeanor, rather than a felony, and a conviction for which the penalty actually imposed was imprisonment not to exceed 6 months, or a fine of not more than \$500, or both.¹

Scott McLeod, Administrator, Bureau of Inspection, Security, and Consular Affairs, said the regulation reflects the legislative intent of the 83d Congress that section 4 of Public Law 770 (the Immigration and Nationality Act), which it implements, be administered in accordance with American legal standards.

Heretofore, single convictions for rationing violations and other minor offenses had been a bar to visa issuance to aliens and had in many instances brought about introduction of private bills in the Congress for waiving of the single minor offense restriction in individual cases.

Admission of Polish Seamen to U.S.

¹ Ibid., Sept. 13, 1954, p. 371.

¹ For text of the regulation, dated Oct. 14, see 19 Fed. Reg. 6785.

Case of Joseph S. Petersen

Press release 595 dated October 19

Joseph Sidney Petersen, Jr., an American citizen, has been charged with obtaining classified defense information which could be used to the advantage of a foreign power in violation of the laws of the United States. The foreign government involved has now been publicly identified as the Netherlands Government. The U.S. Government has taken this matter up with the Netherlands Government and has received that Government's assurances that it had believed that the transmission of this information was in accordance with an authorized arrangement between the two Governments. The Department has no reason to question the good faith of the Netherlands Government which has been amply demonstrated by that Government's complete cooperation during the investigatory period.

For its own part, however, the U.S. Government must affirm that the activities of the American citizen involved in this case were completely unauthorized by his Government and were carried out under his own personal responsibility, without the knowledge of his superiors and in violation of the laws of the United States.

Reorganization of German Coal and Iron and Steel Industries ¹

The following Law No. 76 issued by the Allied High Commission for Germany, which amends Law No. 27 (Reorganization of German Coal and Iron and Steel Industries), is deemed to be of interest to certain United States citizens as having legal effect upon them or their property.

LAW No. 76—AMENDING LAW No. 27 2 (REORGANIZATION OF GERMAN COAL AND IRON AND STEEL INDUSTRIES

The Council of the Allied High Commission enacts as follows:

ARTICLE 1

Paragraph 1 of Article 4 of Law No. 27 is hereby amended to read as follows:

"1. The Steel Trustee Association established under United States Military Government Law No. 75 and United Kingdom Military Government Law No. 75 and Regulation No. 2 issued thereunder shall continue to exist and shall exercise the functions conferred on it by the present Law or by regulations or orders made hereunder. The Allied High Commission may remove any member of the Steel Trustee Association and appoint other members of such Association."

ARTICLE 2

Sub-paragraph (c) of paragraph 1 of Article 7 of Law No. 27 is hereby amended to read as follows:

"(c) Any other action taken in connection with reorganizations of liquidations under this Law to the extent provided by regulations or orders hereunder."

ARTICLE 3

Article 11 of Law No. 27 is hereby amended to read as follows:

"ARTICLE 11

REGULATIONS AND ORDERS

The Allied High Commission may issue such regulations and orders for the purpose of implementing any provision of this law as it shall deem necessary or proper in order to carry fully into effect the purposes of this Law."

ARTICLE 4

Article 13 of Law No. 27 is hereby amended to read as follows:

"ARTICLE 13

BOARD OF REVIEW

1. There is hereby established a Board of Review. The number, nationality, and method of appointment of members of the Board shall be determined by the Council of the Allied High Commission. Each member shall be a qualified lawyer or expert who shall not be otherwise concerned with the administration of this Law. The decision of a majority of the members of the Board shall constitute the decision of the Board. In the absence of a majority, the order which is the subject of review shall be deemed to have been confirmed.

2. The Board shall have jurisdiction to review any order issued under paragraph (c) of Article 5 of this Law on the petition of any interested person to the sole extent of determining whether the distribution made to such person has afforded him fair and equitable treatment within the provisions of the Law and of the regulations issued thereunder.

3. A petition for review of an order issued before May 15, 1952 shall be filed before November 15, 1952. A petition for review of any order issued on or after May 15, 1952, shall be filed within six months of the date of issue.

 The petition shall be filed with the Board or with the authority which issued the order the review of which is sought.

5. In considering a petition for review the Board shall determine solely whether the order the review of which is sought is supported by substantial evidence and is correct as a matter of law. The filing and pendency of a petition shall not operate as a stay of the order except and to the extent that a stay may be directed by the Board upon a motion for such relief.

6. The Board shall establish its rules of procedure. It may take evidence of any kind and summon witnesses and experts in accordance with the provisions of the German Code of Civil Procedure. It may demand security for costs from a petitioner, but if the petition is granted in full, the security shall be refunded and no costs shall be levied against the petitioner. If the petition is not granted in full, the costs shall be assessed by the Board

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Department of State Bulletin

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¹ 19 Fed. Reg. 6611.

¹ 15 Fed. Reg. 8591.

on the principles laid down in the Kostenordnung of November 25, 1935 (Reichsgesetzblatt I, page 1371)."

Done at Bonn, Petersberg, on April 30, 1952.

On behalf of the Council of the Allied High Commission.

Ivone Kirkpatrick, United Kingdom High Comissioner for Germany, Chairman.

For the Secretary of State:

Geoffrey W. Lewis,
Deputy Director, Office of German Affairs, Bureau of European Affairs.

OCTOBER 7, 1954.

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World Bank Loan to El Salvador for Coastal Highway

On October 12 the International Bank for Reconstruction and Development made a loan of \$11,100,000 to El Salvador to pay the foreign-exchange costs of completing an all-weather highway along the Pacific Coast. The highway will be 190 miles long and will extend from the Guatemalan border to the Port of La Union on the Gulf of Fonseca.

The Philadelphia National Bank is participating in the loan, without the International Bank's guaranty, to the extent of \$250,000 of the first maturity falling due on April 15, 1959.

The primary purpose of the highway is to open new areas to cultivation and make possible increased agricultural production. El Salvador has a good highway system but lacks all-weather roads in the coastal zone. This region contains the only sizeable expanse of fertile land remaining to be developed in El Salvador. The coastal highway will provide an artery, connecting with existing roads, through the entire region and will be an important step toward opening the country's last major land reserve to cultivation and settlement. Eventually the highway may also become an important international highway linking El Salvador with Guatemala and Honduras.

Construction of the coastal highway was started several years ago. At present 25 miles are open to traffic, and another 17 miles are being constructed and financed by the Government without outside assistance. The bank's loan will finance the foreign-exchange costs of the remaining sections totaling 148 miles. These sections are expected to cost the equivalent of \$16 million and to take 4 years to complete.

Construction will be done by contractors chosen through international competitive bidding for unit-price contracts based on detailed specifications of each section to be built. The Government is taking steps to retain an experienced firm of consulting engineers to prepare the detailed plans and specifications for the project and invitations to bid, to analyze and make recommendations on bids, and to supervise construction. Apart from some minor items, construction equipment and materials will be supplied by the contractors. The proceeds of the loan, therefore, will be used mainly to cover the foreign-exchange portion of payments to contractors. The Government will provide the required local currency from budgetary appropriations. The Highway Department of El Salvador will maintain the new highway and will expand its maintenance facilities for this purpose.

Because of inadequate roads in the coastal zone, transport costs are high throughout most of the area, access to markets is difficult, and farmers receive low prices for their produce. Considerable waste is caused by the slow haulage of crops, the movement of livestock on the hoof, and the stoppage of transport during the rainy season. As a result, operators of large farms concentrate on producing a few cash crops of sufficient value to support high transport costs, and small farm owners find it difficult to do more than subsistence forming.

farming.

The new highway, with feeder roads to be built by the Government, should alleviate this situation. With good roads, providing year-round access to wider markets at lower transport costs, agricultural production in the coastal zone should increase in value by the equivalent of about \$10 million a year. In addition, denser settlement of the zone will help relieve population pressure elsewhere in El Salvador. Roads alone will not bring about these results, but the Government is also planning to continue its efforts to improve health conditions in the coastal plains, to promote soil conservation and better production methods through agricultural extension services, and to facilitate the establishment of more adequate processing, storage, and credit facilities.

This is the second bank loan to El Salvador. A loan of \$12,545,000 was made in December 1949 for the construction of a 30,000-kilowatt hydroelectric plant on the Lempa River, which began operating in June 1954. Most of the electricity

from the new plant is being distributed in San Salvador, the capital, and in San Miguel, a key industrial center.

After having been approved by the Executive Directors, the loan documents were signed on October 12 by Hector David Castro, Ambassador for El Salvador at Washington, and Rafael Meza Ayau, Minister of Economy of El Salvador, on behalf of the Government of El Salvador, and by Eugene R. Black, President, on behalf of the International Bank.

Import Fees Imposed on Almonds and Filberts

White House Office press release dated October 11

The President on October 11 issued a proclamation imposing a fee of 10 cents a pound on imports of almonds into the United States over 5 million pounds, and a fee of 10 cents a pound on imports of filberts into the United States over 6 million pounds, during the period October 1, 1954, to September 30, 1955, inclusive.

The President's action modified the recommendations of the Tariff Commission. In its report ¹ the Commission recommended a 10 cents per pound fee on imports of almonds above 4½ million pounds and a 10 cents per pound fee on imports of filberts above 5½ million pounds.

During the quota year just ended there was a 5 cents per pound fee on the first 7 million pounds of almonds imported into this country, which is now revoked, and a 10 cents per pound fee on imports in excess of 7 million pounds. There was no quota or fee on imports of filberts during the past year. During the previous year, however, there was an absolute quota on imports of filberts of 4½ million pounds.

The President's action was based on the recent unanimous report on edible tree nuts by the United States Tariff Commission. The Commission's investigation was made under section 22 of the Agricultural Adjustment Act, as amended, which authorizes limitations on imports when imports are interfering with or threaten to interfere with domestic price-support or marketing programs.

The Tariff Commission's report resulted from its fifth continuing investigation into the effect of imports on the domestic marketing program for edible tree nuts.

The proclamation applies to shelled almonds and blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste) and to shelled filberts, whether or not blanched.

The Tariff Commission did not report or make recommendations with respect to walnuts. The Commission stated that it was making no finding at this time on walnuts because further investigation was needed.

Text of Proclamation 3073

1. Whereas, pursuant to section 22 of the Agricultural Adjustment Act, as added by section 31 of the Act of August 24, 1935, 49 Stat. 773, reenacted by section 1 of the Act of June 3, 1937, 50 Stat. 246, and amended by section 3 of the Act of July 3, 1948, 62 Stat. 1248, section 3 of the Act of June 28, 1950, 64 Stat. 261, and section 8 (b) of the Act of June 16, 1951, 65 Stat. 72 (7 U. S. C. 624), on April 13, 1950 the President caused the United States Tariff Commission to make an investigation to determine whether almonds, filberts, walnuts, Brazil nuts, or cashews are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, certain programs undertaken by the Department of Agriculture with respect to almonds, pecans, filberts, or walnuts, or to reduce substantially the amount of any product processed in the United States from almonds, pecans, filberts, or walnuts with respect to which any such program is being undertaken; and

2. Whereas the said Commission instituted such an investigation on April 13, 1950, which it has been conducting since that date on a continuing basis and in the course of which it has from time to time reported to the President regarding the need for the imposition of restrictions pursuant to the said section 22 in order to prevent imports of almonds, filberts, walnuts, Brazil nuts, or cashews from rendering ineffective, or materially interfering with, the said programs, or from reducing substantially the amount of any product processed in the United States from almonds, pecans, filberts, or walnuts with respect to which any such program is being undertaken; and

3. Whereas import fees on shelled almonds and blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste) imposed pursuant to the President's proclamation of September 29, 1953 (Proclamation 3034; 18 F. R. 6345), which proclamation was issued under the authority of the said section 22, will cease to apply to such articles entered, or withdrawn from warehouse, for consumption after September 30, 1954; and

4. Whereas further in the course of the said investigation, on September 24, 1954, the said Commission reported or othing a blanch Unite tember tions ineffer under Agrice

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¹ Copies of the report may be obtained from the U.S. Tariff Commission, Washington 25, D. C.

² 19 Fed. Reg. 6623.

³ BULLETIN of Nov. 2, 1953, p. 602.

to me its findings regarding the need for import restrictions under the said section 22 on certain tree nuts after September 30, 1954; and

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5. Whereas, on the basis of such report of September 24, 1954, I find that shelled almonds, and blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste), and shelled filberts, whether or not blanched, are practically certain to be imported into the United States during the period October 1, 1954, to September 30, 1955, both dates inclusive, under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the programs undertaken by the Department of Agriculture under the Agricultural Marketing Agreement Act of 1937, as amended, with respect to almonds and filberts, which programs will be in operation during such period; and

6. Whereas I find and declare that the imposition of the import fees hereinafter proclaimed is shown by such investigation of the Commission to be necessary in order that the entry of almonds and filberts described in the fifth recital of this proclamation will not render or tend to render ineffective, or materially interfere with, the said programs undertaken by the Department of Agriculture.

Now, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, acting under and by virtue of the authority vested in me by the said section 22 of the Agricultural Adjustment Act, as amended, do hereby proclaim that a fee of 10 cents per pound, but not more than 50 per centum ad valorem, shall be imposed upon shelled almonds and blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste) entered, or withdrawn from warehouse, for consumption during the period October 1, 1954, to September 30, 1955, both dates inclusive, in excess of an aggregate quantity of 5,000,000 pounds; and that a fee of 10 cents per pound, but not more than 50 per centum ad valorem, shall be imposed upon shelled filberts, whether or not blanched, entered, or withdrawn from warehouse, for consumption during the period October 1, 1954, to September 30, 1955, both dates inclusive, in excess of an aggregate quantity of 6,000,000 pounds. The said fees shall be in addition to any other duties imposed on the importation of such almonds and filberts.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

Done at the City of Washington this eleventh day of October in the year of our Lord nineteen hundred [SEAL] and fifty-four, and of the Independence of the United States of America the one hundred and seventy-ninth.

Deig Low lieur hour

By the President:
HERBERT HOOVER, JR.,
Acting Secretary of State.

Limitations on Imports of Oats Into United States

White House press release dated October 4

The President on October 4 signed a proclamation limiting imports of oats into the United States from all sources to 40 million bushels during the period October 1, 1954, to September 30, 1955, inclusive.

The President's action was based on the recent unanimous report on oats by the United States Tariff Commission.¹ The Commission's investigation was made under section 22 of the Agricultural Adjustment Act, as amended, which authorized limitation on imports when imports are interfering with or threaten to interfere with domestic price-support or marketing programs. The allocation between Canada and all other foreign countries set forth in the proclamation is based upon total imports during five marketing seasons, 1948–49 to 1952–53. The proclamation applies to oats, hulled and unhulled, and unhulled ground oats.

The Tariff Commission's report resulted from its second investigation into the effect of imports of oats on the domestic price-support program for oats. This second investigation was directed by the President on August 20, 1954.² The Tariff Commission's first investigation and report resulted in a proclamation on December 27, 1953,³ limiting imports of oats into the United States from sources other than Canada to 2½ million bushels during the period December 23, 1953, to September 30, 1954. From December 10, 1953, to September 30, 1954, Canada voluntarily limited shipments of oats to the United States to 23 million bushels.

Text of Proclamation 30704

Whereas, pursuant to section 22 of the Agricultural Adjustment Act, as added by section 31 of the act of August 24, 1935, 49 Stat. 773, reenacted by section 1 of the act of June 3, 1937, 50 Stat. 246, and as amended by section 3 of the act of July 3, 1948, 62 Stat. 1248, section 3 of the act of June 28, 1950, 64 Stat. 261, and section 8 (b) of the act of June 16, 1951, 65 Stat. 72 (7 U. S. C. 624), the Secretary of Agriculture has advised me that

¹ Copies of the report may be obtained from the U.S. Tariff Commission, Washington 25, D. C.

² BULLETIN of Sept. 6, 1954, p. 340.

¹bid., Jan. 11, 1954, p. 57.

^{&#}x27;19 Fed. Reg. 6471.

he has reason to believe that oats, hulled or unhulled, and unhulled ground oats are practically certain to be imported into the United States after September 30, 1954, under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price-support program undertaken by the Department of Agriculture with respect to oats pursuant to section 301 and 401 of the Agricultural Act of 1949, as amended, or to reduce substantially the amount of products processed in the United States from domestic oats with respect to which such program of the Department of Agriculture is being undertaken; and

WHEREAS, on August 20, 1954, I caused the United States Tariff Commission to make an investigation under the said section 22 with respect to this matter; and

WHEREAS, the said Tariff Commission has made such investigation and has reported to me its findings and recommendations made in connection therewith; and

Whereas, on the basis of the said investigation and report of the Tariff Commission, I find that oats, hulled and unhulled, and unhulled ground oats, in the aggregate, are practically certain to be imported into the United States during the period from October 1, 1954, to September 30, 1955, inclusive, under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the said price-support program with respect to oats; and

Whereas, I find and declare that the imposition of the quantitative limitations hereinafter proclaimed is shown by such investigation of the Tariff Commission to be necessary in order that the entry, or withdrawal from warehouse, for consumption of oats, hulled and unhulled, and unhulled ground oats will not render or tend to render ineffective, or materially interfere with, the said pricesupport program:

Now, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, acting under and by virtue of the authority vested in me by the said section 22 of the Agricultural Adjustment Act, as amended, do hereby proclaim that the total aggregate quantity of oats, hulled and unhulled, and unhulled ground oats entered, or withdrawn from warehouse, for consumption during the period from October 1, 1954, to September 30, 1955, inclusive, shall not be permitted to exceed 40,000,000 bushels of 32 pounds each, which permissible total quantity I find and declare to be proportionately not less than 50 per centum of the total average aggregate annual quantity of such oats entered, or withdrawn from warehouse, for consumption during the representative period from July 1, 1948, to June 30, 1953, inclusive; and that, of the foregoing permissible total quantity, not more than 39,312,000 bushels of 32 pounds each shall be imported from Canada and not more than 688,000 bushels of 32 pounds each shall be imported from other foreign coun-

The provisions of this proclamation shall not apply to certified or registered seed oats for use for seeding and crop-improvement purposes, in bags tagged and sealed by an officially recognized seed-certifying agency of the country of production: *Provided*, (a) that the individual shipment amounts to 100 bushels (of 32 pounds each) or less, or (b) that the individual shipment

amounts to more than 100 bushels (of 32 pounds each) and the written approval of the Secretary of Agriculture or his designated representative is presented at the time of entry, or bond is furnished in a form prescribed by the Commissioner of Customs in an amount equal to the value of the merchandise as set forth in the entry, plus the estimated duty as determined at the time of entry, conditioned upon the production of such written approval within 6 months from the date of entry.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington this 4th day of October in the year of our Lord nineteen hundred and fifty-four, and of the Independence of the United States of America the one hundred and seventy-ninth.

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By the President:

JOHN FOSTER DULLES Secretary of State.

Four Engineers Go to Thailand To Plan Highway Project

The Foreign Operations Administration announced on October 11 that four highway engineers have left for Bangkok, Thailand, to begin an engineering reconnaissance for a modern highway to link Bangkok and the isolated northeast provinces. The Governments of the United States and Thailand are preparing to start construction before the end of 1954.

Called the "Northeast Highway," the road will cost an estimated \$7.5 million and is scheduled for completion in about a year. It will run from Saraburi, near Bangkok, to Ban Phai, 200 miles northeastward in the heart of the northeast plateau, passing through Korat, the northeast's principal city.

The road is seen as a key to the economic development of the potentially rich northeast region. It will strengthen the economic and social ties of the northeast with the Bangkok area, bringing about more export of produce from the northeast and enabling that area to import other needed goods to improve the standard of living of the people.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings1

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Adjourned during October 1954

Unesco 2d International Seminar on the Role of Museums in Education.	Athens	Sept. 12-Oct. 10
Fao Council: 20th Session Nine Power Meeting International Congress of Chronometry International Philatelic and Postal Exhibition Consultative Committee for Economic Development in South and Southeast Asia ("Colombo Plan"): Ministerial Meeting.	Rome London Paris New Delhi Ottawa	Sept. 27-Oct. 8 Sept. 28-Oct. 3 Oct. 1-5 Oct. 1-5 Oct. 4-9
FAO Working Party on Fertilizers: 4th Meeting	Tokyo	Oct. 4-10 Oct. 4-10 Oct. 4-6 Oct. 4-12
UNESCO Seminar for Leaders of Youth Movements 10th General Conference on Weights and Measures Caribbean Commission and UNESCO: Joint Technical Conference on Education and Small-Scale Farming in Relation to Community Development.	Habana	Oct. 5-26 Oct. 5-14 Oct. 6-15
2d International Meeting of Communications	Genoa	Oct 6-12 Oct. 6-11 Oct. 8-22
General Assembly of the International Commission of Criminal Police: 23d Session. FAO International Rice Commission: 4th Session	Tokyo	Oct. 9-14 Oct. 11-19
ILO Iron and Steel Committee: 5th Session U. N. Ecc Committee for Development of Trade: 3d Session International Wheat Council: 16th Session Four Power Meeting Nine Power Meeting Nac Special Ministerial Meeting Paso Executive Committee: 24th Meeting	Geneva. Geneva. London Paris. Paris. Paris. Santiago.	Oct. 11-23 Oct. 11-16 Oct. 12-17 Oct. 20-23 Oct. 21-23 Oct. 22-23 Oct. 22-23
International North Pacific Fisheries Commission: 2d Meeting U.N. Ecafe Working Party on Financial Aspects of Economic Development Programs. Gatt Ad Hoc Committee on Agenda and Intersessional Business	Vancouver	Oct. 25-30* Oct. 25-30 Oct. 26-27
Unesco Executive Board	Rio de Janeiro.	Oct. 31 (1 day)
U.N. General Assembly: 9th Regular Session	New York	Sept. 21- Sept. 27- Oct. 5- Oct. 5-
munications. ICAO Southeast Asia Regional Communications Coordinating	Bangkok	Oct. 18-
Meeting. Ito Metal Trades Committee: 5th Session	Geneva	Oct. 25- Oct. 28-
Bogotá International Exposition	Bogotá	Oct. 29-
Scheduled November 1, 1954-January 31, 1955		
Unesco Budget Committee	Montevideo	Nov. 1- Nov. 1- Nov. 1-

¹ Prepared in the Office of International Conferences, Oct. 21, 1954. Asterisks indicate tentative dates. Following is a list of abbreviations: Unesco, United Nations Educational, Scientific and Cultural Organization; Fao, Food and Agriculture Organization; Paso, Pan American Sanitary Organization; U. N., United Nations; Ecape, Economic Commission for Asia and the Far East; Who, World Health Organization; Ilo, International Labor Organization; Ece, Economic Commission for Europe; Nac, North Atlantic Council; Gatt, General Agreement on Tariffs and Trade; Icao, International Civil Aviation Organization; Wmo, World Meteorological Organization; ICEM, Intergovernmental Committee for European Migration; Ecosoc, Economic and Social Council.

Calendar of Meetings-Continued

Scheduled November 1, 1954-January 31, 1955-Continued

Scheduled November 1, 1954-January 31, 1955-Conunued	
FAO European Forestry Commission: Working Party on Afforestation.	Geneva Nov. 5-
1st World Conference of Printing Enterprises	São Paulo Nov. 6-
14th International Congress of Military Medicine and Pharmacy	Luxembourg Nov. 7-
International Philatelic Exposition	São Paulo Nov. 7-
FAO European Forestry Commission: 7th Session	Geneva Nov. 8-
U.N. ECAFE Subcommittee on Mineral Resources (Committee on	Bangkok Nov. 8-
Industry and Trade): 1st Session.	
FAO Meeting on Economic Aspects of the Rice Situation	Rangoon Nov. 11-
Unesco General Conference: 8th Session	Montevideo Nov. 12-
3d Inter-American Accounting Conference	São Paulo Nov. 14-
Customs Cooperation Council	Brussels Nov. 15-
Icao Special European-Mediterranean Communications Meeting .	Paris Nov. 16-
ILO Governing Body: 127th Session	Rome Nov. 16-
Meeting of Ministers of Finance or Economy (4th Extraordinary	Rio de Janeiro Nov. 22-
Meeting of Inter-American Economic and Social Council).	
ICEM Ad Hoc Subcommittee on Draft Rules and Regulations	Geneva Nov. 22-
International Sugar Council: Statistical Committee	London Nov. 22-
ILO 8th International Conference of Labor Statisticians	Geneva Nov. 23-
International Sugar Council: Executive Committee	London Nov. 23-
International Sugar Council: 2d Session	London Nov. 24-
ICEM Subcommittee on Finance: 6th Session	Geneva Nov. 25-
Caribbean Commission: 19th Meeting	Cayenne (French Guiana) . Nov. 29-
ICEM 8th Session of the Intergovernmental Committee	Geneva Nov. 30-
Nac Ministerial Meeting	Paris November*
Fao 4th World Forestry Congress	Dehra Dun (India) Dec. 11-
Inter-American Seminar on Secondary Education	Santiago Dec. 29-
U. N. Ecosoc 18th Session of Council (resumed)	New York December
10th Pan American Child Congress	Panama City Jan. 10-
U. N. Ecape Subcommittee on Trade: 1st Session	Hong Kong Jan. 10-
Wно Standing Committee on Administration and Finance	Geneva Jan. 10-
Pan American Highway Congress: Permanent Executive Committee Meeting.	Mexico Jan. 13-
U. N. Ecosoc Commission on International Commodity Trade: 1st	New York Jan. 17-
Session.	O
Wно Executive Board: 15th Meeting	Geneva Jan. 18-
U.N. Ecape Inland Transport Committee: 4th Session	Bangkok Jan. 24-

Disarmament Talks in U.N. Political Committee

Statements by James J. Wadsworth U.S. Representative to the General Assembly '

U.S. delegation press release 1981 dated October 19

The general debate on disarmament has gone on for over a week.² We think that the discussion has been extremely useful in clarifying a number of important matters. It has shown that the differences between the Soviet Union and the free world are almost as great as ever.

The two sides are in the position of two politi-

cal parties seeking to elect their slates in a given community. Both parties have put anticrime planks in their platforms. Both agree that we need policemen. But one party wants to let its policemen cover their whole beats and make arrests pursuant to law whenever they discover crime. The other party says, "Oh, no. The policeman can only stay on Main Street, and if he should observe a crime there, he can merely report the commission of the crime to the Municipal Council, which in due course will hold a meeting. The policeman cannot make the arrest."

It seems appropriate at this time to review the situation to see exactly where we stand. First, however, I should like to stress a point which has not been discussed very fully. The greater part of the discussion in this committee has been devoted to the Anglo-French memorandum of June 11³ and to the Soviet proposals of September 30.

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¹ Made in Committee I (Political and Security) on Oct. 19 and Oct. 22.

³ For statements by Ambassador Lodge and Ambassador Wadsworth on Sept. 30 and Oct. 12, and the text of the Soviet proposal, see Bulletin of Oct. 25, 1954, p. 619.

¹ Ibid., Aug. 2, 1954, p. 182.

This is entirely fitting since the British-French memorandum is the instrument which had led to any narrowing of the gap between the Soviet Union and the free world that may have taken place. What I want to stress now is that, important as they are, neither the Anglo-French memorandum nor the Soviet proposal, nor the two combined, can be said to constitute a complete disarmament program.

Over a period of years agreement has been reached on just what are the chief elements of such a program. Last year these elements were set forth in the first preambular paragraph of the General Assembly resolution of November 28, a paragraph which received 54 affirmative votes and no negative votes.4 These elements were: first, the regulation, limitation, and balanced reduction of all armed forces and all armaments; second, the elimination and prohibition of atomic, hydrogen, and other types of weapons of mass destruction; third, the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only; and fourth, the carrying out of the whole program under effective international control and in such a way that no state should have cause to fear that its security was in danger.

During the discussions in the Disarmament Commission and in the subcommittee this summer, it became apparent that there was a *fifth* element of a disarmament program which was not completely covered by any of the four elements described in the General Assembly resolution: The fifth element was the relation of the other four elements, or, to put it in other words, the timing and phasing of the prohibitions and reductions and of the establishment of international controls.

The Anglo-French memorandum was written to deal with this fifth element. Since it covers the relationship of the other four elements, naturally it refers to them. The Anglo-French memorandum was, of course, never intended to be a complete disarmament program. For example, it does not contain any formula for determining the levels to which armed forces and atomic armaments would be reduced. It does not go into any detail as to the type of international control machinery which would be set up or as to the powers and functions of an international control organ. It does not

deal with numerous basic problems in connection with the prohibition of atomic weapons, such as the type of installations which must be controlled, or the nature of the control. These latter problems are treated fully in the United Nations atomic energy plan approved by previous General Assemblies. The Soviet Union does not agree with the solution suggested in the United Nations plan for the control of atomic energy. But we feel sure that the U.S.S.R. will agree that any solution of the problem of atomic weapons must cover the subjects that are dealt with in the United Nations atomic energy plan.

In short, the Anglo-French memorandum and the Soviet draft resolution, however different they may be, both deal with the same set of problems. They do not by themselves deal with all of the basic problems of a disarmament program. One of the flaws of the Soviet resolution, in our opinion, is the following sentence: "Accordingly the convention should contain the following basic provisions." We read this to imply that the Soviet Union regards its proposal as a disarmament plan rather than merely one of the elements of a disarmament plan.

Fundamental Differences

It may be useful at this time to point out just where we stand, in the thought that, if we know where we stand, it will be easier to plot our future course.

Three fundamental and basic differences have emerged between the Soviet Union and the other members of the Disarmament Commission subcommittee. The first of these relates to the reduction of armed forces and nonatomic armaments. The position of Canada, France, the United Kingdom, and the United States is that we should first agree upon levels to which armed forces and armaments will be reduced. The amounts of reductions would be the difference between these agreed levels and the levels of December 31, 1953. These reductions would take place in two stages: 50 percent of reductions in the first stage and 50 percent in the second stage. The Soviet proposal goes along with the idea that the reductions shall be made from the December 31, 1953, level and that the reduction shall take place in two stages: 50 percent in each stage. Mr. Vyshinsky, however, has made it clear that the Soviet Union still favors a "proportional" reduction. In other words, the Soviet Union still

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⁴ Ibid., Dec. 14, 1953, p. 838.

favors an overall reduction of one-third, or of some other fraction, applicable to all countries, the type of reduction which would perpetuate the present imbalance of armed forces and conventional armaments in favor of the Soviet Union. However, Mr. Vyshinsky says this is a matter to be decided by the international convention.

The second major divergence relates to the powers and authority of the international control machinery. Mr. Vyshinsky went back once again to the detailed Soviet proposals of June 1947 concerning an international control organ. The proposals, when originally made, were made to the Atomic Energy Commission and related only to the control of atomic energy. They were discussed fully and exhaustively in the United Nations Atomic Energy Commission in 1947 and 1948. At that time a committee of the Atomic Energy Commission, consisting of Canada, China, France, and the United Kingdom, prepared a working paper which concluded "that the Soviet Union proposals ignore the existing technical knowledge of the problem of atomic energy control, do not provide an adequate basis for the effective international control of atomic energy and the elimination from national armaments of atomic weapons, and therefore do not conform to the terms of reference of the Atomic Energy Commission." This working paper was included as annex IV of the Third Report of the Atomic Energy Commission, dated May 17, 1948, and was approved by the General Assembly at the time it adopted the United Nations atomic energy plan.

The Soviet proposals then dropped out of sight, until suddenly the Soviet representative revived them in the subcommittee discussion in London last spring. Why did they drop out of sight? You will recall that in 1952 Mr. Vyshinsky brought to the Sixth General Assembly some new proposals on international control which he glorified as a great concession to the West.5 He conceded at that time that the international control organ shall have the right to conduct inspection on a continuing basis but should not be entitled to interfere in the domestic affairs of states. Since this was in contrast to the Soviet's previous insistence on periodic inspection, we all hoped that a door had been opened to agreement on a fundamental principle. During the disarmament discussions in 1952

we strove without success to find out what the Soviet Union meant by "continuous inspection." Finally, in London last spring the Soviet representative tried to put life in the ghost of 1947, as his definition of "Inspection on a continuing basis." He thus succeeded only in demonstrating that the "continuous inspection" of 1952 was identical to the "periodic inspection" of 1947. The great concession of 1952 turned out to be no concession at all.

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Now, since September 30, the Soviet Union has talked about an international control organ with "full powers of supervision, including the power of inspection on a continuing basis to the extent necessary to ensure implementation of the convention by all states." At first glance this looked good since, in theory at least, it could encompass the powers which this Assembly has decided are essential.

On October 15 Mr. Vyshinsky continued to assert that the Soviet Union favors a control organ capable of "powerful" and "effective" control. Exactly what powers would this mighty and powerful organ have? On October 15, and again yesterday, Mr. Vyshinsky answered this question by again calling up the ghost of 1947 and reading to us these 1947 proposals.

Furthermore, he referred to the United States working paper on the control organ presented last summer by Mr. [Morehead] Patterson.6 He pointed out that the United States paper took the position that in cases of violations the control commission can close plants, and then he said:

. . . if some people are prepared to accept that, we are not to be counted among them. I must say that quite openly. We feel that to vest such functions in a control commission is impossible.

It is clear that on this all-important question of the powers of the international control organ there has been no change in the Soviet position. Once more, Mr. Vyshinsky continues to insist, just as he did in 1947, that the really important powers in connection with a disarmament program must be exercised by the Security Council, where all of the permanent members have a veto.

We fail to see why the U.S.S.R. objects to thorough and effective international control. If the U.S., the U.K., France, and all the rest of us are willing to subject ourselves to it, what has the Soviet to fear? Are we to assume that she has

Department of State Bulletin

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⁵ Ibid., Jan. 28, 1952, p. 127.

⁶ Ibid., Aug. 2, 1954, p. 179.

something to hide—something she doesn't want the world to know? How can any disarmament plan work if, as I said last week, the steps of the plan cannot be carried out in full sight of each other?

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The Soviet accuses the U.S. of preparing for another war; of aggression against Formosa and all kinds of other fantastic crimes and intentions. How best can we display to the world that we are completely honest in our statements and straightforward in our intentions? We think it is by opening wide our doors and inviting an international control body to come in freely and fully; to inspect our atomic installations, our munitions plants, and, yes, even our button factories. What is more, we are prepared to accept corrective action on the part of the control organ in the event a violation is found.

On the other hand, we in the United States suspect the Soviet Union of planning world conquest behind their facade of disarmament statements. Will they take the same steps to reassure the world that we are prepared to take? While Mr. Vyshinsky answered "No," he kept one ember burning. He suggested that this problem too should be worked out in the international convention.

Question of Timing and Phasing

The third fundamental difference between the Soviet position and that of the other states which participated in the London discussion relates to the timing and phasing of the most important elements of the disarmament program. Mr. [Selwyn] Lloyd got to the heart of this difference in the second question which he addressed to Mr. Vyshinsky last Friday. He asked: "Does the Soviet Government agree that the officials of the control organ should be in position, ready and able to function in the countries concerned, before those countries begin to carry out the disarmament program?" There is nothing that I can add to Mr. Lloyd's explanation of the fundamental significance and importance of this problem. If we interpret Mr. Vyshinsky's answer correctly, he didn't say "Yes" and he didn't say "No"; once again, he said: "This will be decided in the convention." Can we assume that the Soviet attitude will be any less rigid when we come to negotiate the convention? After all, they have never shown themselves willing to discuss in detail any of the concrete proposals brought forward to date.

But, in his very last intervention on October 15, Mr. Vyshinsky took pity on us and did answer Mr. Lloyd's question in a manner which, I fear, is all too clear. He referred to paragraph 5 of the Franco-British memorandum and noted that Mr. Lloyd had stated that we diverged on this point. Then Mr. Vyshinsky said, "That is correct; we do." Now what does the fifth paragraph of the Franco-British memorandum say? It says:

5. After the constitution and positioning of the Control Organ, which shall be carried out within a specified time, and as soon as the Control Organ reports that it is able effectively to enforce them, the following measures shall enter into effect.

So it is clear that, in substance, Mr. Vyshinsky's answer to Mr. Lloyd's second question is strongly in the negative.

There are other differences, but the three which I have just outlined are the most important. As a result of the discussions in this committee which, I repeat, have been extremely useful and which, in my view, have come better to grips with the problem than any previous United Nations discussions, where do we stand and where do we go! Let us admit again that on one important point the differences have been narrowed. The Soviet Union now admits that the disarmament program can take place in stages and that 50 percent of the reductions in armed forces and conventional armaments can take place before the prohibition of atomic weapons. Despite this concession, we are still some distance from the down-to-earth detailed negotiations that will be necessary to work out a disarmament convention. It would not be very profitable to start discussing the number of aircraft carriers, the number of bombers, the number of ground forces that each state will be permitted under a disarmament program until we have some agreement on how to work out those figures. Mr. Vyshinsky says that the Soviet Union has one view and that the other members of the subcommittee have a different view and that we will work this out in the convention.

Similarly, it would not be very profitable to work out the machinery, powers, and functions of an international control organ and then to find out that the control organ will never be in a position to exercise its powers. Here, again, Mr. Vyshinsky says: "This is a question of method. Let's leave it to the convention."

That is where we stand today. Now where

Resolution on Disarmament¹

U.N. doc. A/C.1/752/Rev. 2 dated October 22

The General Assembly,

Reaffirming the responsibility of the United Nations for seeking a solution of the disarmament problem,

Conscious that the continuing development of armaments increases the urgency of the need for such a solution,

Having considered the Fourth Report of the Disarmament Commission of 29 July 1954 (D.C/53 and D.C/55), and the documents annexed thereto, and the Soviet draft resolution (A/C.1/750) concerning the conclusion of an international convention (treaty) on the reduction of armaments and the prohibition of atomic, hydrogen, and other weapons of mass destruction,

- Concludes that a further effort should be made to reach agreement on comprehensive and co-ordinated proposals to be embodied in a draft international disarmament convention providing for:
 - (a) The regulation, limitation and major reduction of all armed forces and all conventional armaments;
 - (b) The total prohibition of the use and manufacture of nuclear weapons and weapons of mass destruction of every type, together with the conversion of existing stocks of nuclear weapons for peaceful purposes;
 - (c) The establishment of effective international control, through a control organ with rights, powers and functions adequate to guarantee the effective observance of the agreed reductions of all armaments and armed forces and the prohibition of nuclear and other weapons of mass destruction, and to ensure the use of atomic energy for peaceful purposes only;

The whole programme to be such that no State would have cause to fear that its security was endangered;

- Requests the Disarmament Commission to seek an acceptable solution of the disarmament problem, taking into account the various proposals referred to in the preamble of the present resolution and any other proposals within the Commission's terms of reference;
- 3. Suggests that the Disarmament Commission reconvene the Sub-Committee established in accordance with paragraphs 6 and 7 of General Assembly resolution 715 (VIII);
- 4. Requests the Disarmament Commission to report to the Security Council and to the General Assembly as soon as sufficient progress has been made.

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On each of these fundamental problems there are divergent views. It would be theoretically possible for the Assembly to recommend that the Soviet Union should accept our view. We frankly doubt whether the General Assembly's approval of the Anglo-French memorandum or of the United States working paper on a control organ would advance by one day the achievement of an agreed disarmament program unless the General Assembly decision had the support of the Soviet Union. Yesterday the representative of Syria [Ahmad Shukairy] made this point most effectively.

We have had some success, even though it is much less than we had originally hoped on September 30, in narrowing the differences that separate us. It seems to us that there is no alternative course but to try again. The subcommittee of the Disarmament Commission seems to be the machinery best suited to promote genuine negotiation. It would be naive to suppose that progress in the Disarmament Commission and its subcommittee will be rapid. Certain Soviet moves here in the United Nations are not calculated to reduce international tensions. None of us can wave a magic wand which will produce immediate agreement. We are not counseling delay, nor do we welcome it; we are merely pointing out that progress comes as a result of serious thought and thorough preparation, all of which is time-consuming. We may have to grope along another series of blind alleys before we find another one which leads closer to agreement. But we know of no other course.

In the meantime, the United States believes that the Canadian resolution, which we are cosponsoring, affords the best hope of progress in the field of disarmament. The machinery provided in this resolution can move as fast as the Soviet Union will permit it to move. We are certainly anxious that it should move with the greatest possible speed consistent with the attainment of genuine agreement.

I should now like to address a brief remark to my good friend, Sir Percy Spender. I attach the greatest significance to his suggestions with respect to the further progress of our discussion of disarmament at this session. Nevertheless, I am sure

¹ Approved unanimously by Committee I on Oct. 27.

¹ U. N. doc. A/C.1/752/Rev. 1.

that he will agree that our debate to this point has very closely outlined the points of agreement and disagreement between the views of the Soviet Union and those of the other members of the London subcommittee. I doubt if any further clarification can be obtained at this session. The type of problem which Mr. Vyshinsky desires to be solved by the convention will not be solved in 3 weeks or 6 weeks.

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I fully agree with Sir Percy's view as to the vital contribution which can be made by what he has termed the "middle" and "small" powers. We have had ample evidence of this already, and I certainly hope that we shall have more before our present debate is over. The United States certainly does not believe that progress in this field can be made only by the so-called Great Powers.

That is one reason why we support the Canadian resolution, which calls upon the Disarmament Commission to pursue its work. That Commission, with its 12 members, certainly enables other powers to voice their views on a plane of complete equality with the Great Powers. Then, too, the results of its work will again be reviewed by the General Assembly. In brief, I hope that, when we shall have concluded our general debate in this committee, all members of this body will have had ample opportunity to contribute fully to this vital task.

The distinguished representative of Syria spent a considerable part of his challenging and able presentation yesterday in pointing out the seemingly irreconcilable attitudes of the U.S. and the U.S.S.R., in spite of the fact that we both apparrently espouse the same general principles. I join with him in wondering whether "peace" means something in Russian that is wholly incompatible with what it means in English.

We are ready to demonstrate that the peace we want is worth real sacrifice; that it is a precious thing deserving of persistent and impartial protection; that it will flourish under proper safeguards in the broad light of day. We reaffirm our conviction that peace, as we mean it, cannot thrive on an exclusive diet of lip service; that it will suffer seriously from the drought of neglect; that it will wither and die in the dark dungeons of secrecy.

Yesterday Mr. Vyshinsky stated that he would much rather be offered advice than be asked questions. I directed no questions to him. However, much as I hesitate to offer advice, he asked for it. I suggest that his Government accept the same international controls that the rest of us are willing to accept.

U.S. delegation press release 1990 dated October 22

The procedural agreement just announced by the distinguished representative of Canada [David M. Johnson], an agreement which now provides for the cosponsorship by all five members of the Disarmament Commission's subcommittee of the resolution originally tabled by Canada, very properly refers this question to that subcommittee. We join with our other cosponsors in welcoming this agreement, and we pledge the continued efforts of the United States to achieve fully safeguarded disarmament.

The subcommittee, Mr. Chairman, will be able to probe into the many technical aspects of disarmament. These technical aspects have been brought forth during our debate on this subject and have shown the divergencies which exist. But the deliberations of the subcommittee will test the extent to which good faith animates the Soviet Union in its present approach to disarmament matters. We await that test with interest.

The work we will undertake will call for constructive, unremitting effort from every subcommittee member and the United States will do its part.

Now, Mr. Chairman, in common with my colleague from Canada I wish to comment very briefly on the question posed to the former cosponsors by the distinguished delegate of India [V. K. Krishna Menon] the other day and of which we were reminded today by the distinguished delegate of India. Since this seems to be a day somewhat devoted to unanimity, I am very happy to tell him that the United States, having studied the questions and the answers of the distinguished representative of the United Kingdom, Mr. Lloyd, the United States finds itself in full accord with Mr. Lloyd's answers. There may be some aspects of clarification or even elaboration which the United States might wish to add to Mr. Lloyd's answers. However, these are of a highly technical nature and I do not propose to burden the committee with them today. If the distinguished delegate of India would be desirous of our doing so, we will be very happy to submit them to him in writing, but they will not in any sense affect the substance of the answers.

Progress in Highway Development for Latin America

SIXTH PAN AMERICAN HIGHWAY CONGRESS, CARACAS, JULY 11-23, 1954

Important impetus is expected to be given to the development of highways throughout Latin America as a result of the resolutions and recommendations of the Sixth Pan American Highway Congress, held at Caracas, Venezuela, from July 11 to July 23, 1954. It was a fully representative meeting, with 19 of the 21 American Republics sending official delegations. Outstanding among its accomplishments were the unanimous adoption of a permanent plan for the organization of future Congresses, with emphasis upon executive and technical committee work, and the institution of intensive studies for the financing and construction of the Pan American Highway System. Along with these were many other decisions which reflected the determination of governmental and private bodies to make headway rapidly and constructively on the problems of highway improvement and expansion.

The Caracas meeting, latest of a series which began at Buenos Aires in 1925, was pronounced by many participants as the most effective to date. It carried out successfully the formative planning begun at the Fifth Congress at Lima in 1951 and a special Congress at Mexico City in 1952, and marked the coming to full maturity of this important hemispheric organization. In all of these activities, the United States has played a leading part.

The Seventh Congress will be held at Panamá City, R. P., in 1957.

United States Delegation

The members of the U.S. delegation were as follows:

Walter Williams, Under Secretary of Commerce, Chairman Charles P. Nolan, Bureau of Inter-American Affairs, Department of State, Vice Chairman

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J. Harry McGregor, Chairman, Subcommittee on Roads, House of Representatives

George H. Fallon, Member, Committee on Public Works, House of Representatives

Herbert Ashton, Bureau of Foreign Commerce, Department of Commerce

Sewell Marcus Gross, American Road Builders Associa-

Edwin W. James, American Society of Civil Engineers 3

Henry H. Kelly, Office of Transport and Communications Policy, Department of State

Gale Moss, American Association of State Highway Officials

Francis C. Turner, Bureau of Public Roads, Department of Commerce

Norman B. Wood, Bureau of Public Roads, Department of Commerce

William L. Brewster, second secretary of the American Embassy at Caracas, acted as liaison officer.

Organization of the Congress

All working sessions were held in the library building of the University City, a large enclave of structures which eventually will house many thousands of students. The physical facilities of the building were excellent, with auditoriums and

¹ For an article on the special Congress, see Bulletin of Jan. 19, 1953, p. 105.

² Special mention should properly be made of the participation of Mr. James, who has attended all of the Pan American Congresses except the first two as a U.S. delegation member. Mr. James was in charge of the cooperative work of the U.S. Bureau of Public Roads on the Inter-American Highway from 1929 until his retirement in 1953. During that period he made more than 60 inspection trips to various parts of the highway, in addition to engineering surveys in Venezuela, Colombia, Ecuador, Peru, Bolivia, Chile, Brazil, Cuba, Haiti, the Dominican Republic, Puerto Rico, and the Virgin Islands. To innumerable government officials, engineers, and economists throughout the Americas, he is known as "the father of the Inter-American Highway."

assembly rooms of ample dimensions and attractive architectural style.

On the morning of July 11, the chiefs of delegations met in a preliminary session with the Organizing Committee and principal officers of the secretariat and designated the Minister of Public Works of Venezuela, Dr. Julio Bacalao Lara, as president and Dr. Eduardo Arnal, Dean of the Faculty of Engineering, Central University of Venezuela, as secretary general of the Congress. Dr. Francisco J. Hernandez of the Pan American Union was permanent secretary, as at previous Congresses.

At the formal opening session the same afternoon, held in the Great Hall of University City, these designations were confirmed. In addition, the Presidents of the American Republics were made honorary presidents and the Ministers of Public Works honorary vice presidents. Five technical commissions were established, to cover the following subjects: international affairs, highway education, construction and maintenance, legislation and administration, and highway safety. A committee on coordination and style was also appointed.

Technical Papers and Reports

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As is customary in a technical conference, large numbers of papers had been submitted by organizations or individuals for consideration. The Final Act of the Congress listed 159 such papers. Of these, 51 were the subject of resolutions; 59 were recommended to be published in full in the proceedings (including the following from the United States: "Economic Potentialities of the Pan American Highway," by Edwin W. James; "Soil Testing," by M. D. Morris; and "Repair Shops for the Care of Highway Equipment" and "Highway Planning in the United States," by the Bureau of Public Roads); and 49 were recommended to be summarized in the proceedings (including a paper by J. Stanley Williamson on "Highway Maintenance in Ecuador").

The most important reports presented were those of four special committees appointed by the Mexico City Congress in 1952 to prepare for the Caracas meeting. A so-called Interim Committee, which was in effect an executive committee, with its chairman representing Mexico and with officials from Argentina, Brazil, Peru, and the United States as its members, recommended a plan

of organization for the future Congresses and offered suggestions on the technical committee reports. The latter were submitted by committees on financing, chaired by Mexico; on planning and routing, chaired by Brazil; and on the organization of highway departments, chaired by Peru.

Work of the Commissions

Much of the work of the Congress was performed in the technical commissions, although this did not prevent many hours of discussion in the plenary sessions as well. Members of the U.S. delegation took an active part.

In Commission I, on international affairs, the principal topic was the permanent organization of the Congresses. After a brief discussion of a revised plan informally submitted by the permanent secretariat, the original "Plan of Organization of the Pan American Highway Congresses" as drawn up by a five-nation committee earlier this year was unanimously approved with only minor editorial changes. Other matters handled by this commission included the regional and worldwide treaties on international road traffic of 1943 and 1949, plans for financing the construction and improvement of the Pan American Highway System, and coordination of transport.

In Commission II, on highway education, papers were presented on three principal subjects—descriptions of national highway systems, histories of national highway development, and the preservation of archeological and historical monuments.

Commission III, dealing with plans, construction, and maintenance, was divided into six subcommissions: preliminary studies, earth movement, pavements, bridges, drainage, and maintenance. The principal work of the subcommissions was to consider and recommend disposition of some 25 technical papers submitted to the Congress.

Commission IV dealt with highway legislation, administration, economics, and finance. Representative McGregor served as vice chairman of this commission, of which the principal work was the consideration and discussion of the recommendations of the Technical Committee on Highway Administration (Lima Committee). Of special interest to the United States, and particularly to the Bureau of Public Roads, was a resolution which recommends that the several countries

establish priority of construction on the Pan American Highway as follows: first—opening and constructing impassable sections to all-weather standard; second—improving substandard sections to all-weather standard and constructing permanent structures; third-paving. This resolution coincides with the policy of the Bureau of Public Roads to establish just such priority of construction on the Inter-American Highway program throughout Central America and Panama.

Commission V, on highway operation and safety, considered a number of papers on highway traffic standards, signs, and nomenclature. Among other actions it requested the executive committee to undertake studies which would fix the basis for greater uniformity in the designation and identification of highway routes throughout the various American countries.

Resolutions

In four plenary sessions, spaced at intervals during the Congress and ending on July 20, definitive action was taken on the many proposals considered by the Congress. The Final Act was signed at a brief closing ceremony on the morning of July 23.

The total number of resolutions adopted was 53. Notable among them were the following:

Resolution I: Recommendation of a permanent "Plan of Organization of the Pan American Highway Congresses," which sets forth among other matters the objectives of the organization-chief of which is to facilitate and promote the development of highways in the American continent; establishes relations with the Organization of American States; provides that the Congresses will be held every 3 years, with five classes of participants-official delegates appointed by Governments of the American States, certain committee members, the representative of the Organization of American States, special observers representing international organizations, and other observers; creates a permanent Executive Committee and four technical committees of experts to cover the fields of governmental highway departments, planning and routing of highways, financing, and terminology; and calls for a permanent secretariat, to be provided by the Pan American Union.

In a separate action, the Congress designated the following countries to hold the chairmanships of these committees: executive, Mexico; highway departments, Peru; planning and routing, Brazil; financing, Venezuela; terminology, Argentina. The United States will have membership on all except the committee on planning and routing. The Executive Committee will be the chief motivating force for the next Congress, since responsibility for carrying out the recommendations of the Caracas meeting will largely devolve upon it. Its members are Mexico (chairman), Argentina, Brazil, United States, Panama, Peru, and Venezuela. Its first meeting will be held at Mexico City, January 13-17, 1955.

An interesting feature of this new organization plan, which won unanimous approval at Caracas, is that it involves no financial commitments for the member countries other than the expenses of the host countries for the periodic Congresses or for committee meetings. Operation of the plan will be watched with great interest, for if it proves successful, its simplicity, economy and concentration upon effective committee work may well commend it as a prototype for similar international technical organizations. The Caracas resolution was framed in the form of a recommendation to the Council of the Organization of American States, but its approval by that body and its consequent entry into force for all future Congresses are expected.

Resolution II: Organization of a technical study, with the authorization and collaboration of Panama and Colombia, of a practicable route for the Pan American Highway through the Isthmus of Darien. All of the American countries interested in this project are invited to lend their assistance, and the permanent Executive Committee is placed in general charge. The Darien Peninsula, still largely unexplored, presents one of the most difficult gaps in the Pan American Highway, with about 170 miles of undeveloped and unknown territory between the present highway connections in Panama and Colombia. The Caracas resolution marks the start of a vigorous attack upon this problem. The United States is expected to offer technical assistance, particularly as regards aerial surveys, with no commitment as to financial assistance.

Resolution III: Preparation of a plan, by the Financing Committee and the Executive Committee, for the financing of the entire Pan Ameri-

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Resolution IV: Preparation of a formula, by the Executive Committee in cooperation with the International Bank for Reconstruction and Development, to assist individual countries to obtain funds for highway development.

Resolution V: An expression of thanks to the U.S. Government for its help in the construction of the Inter-American Highway (Guatemala to Panama).

Resolution X: Suggestion that the American countries adopt uniform symbols for highway maps and that the United Nations be urged to continue its efforts to establish worldwide uniformity in road signs and signals.

Resolution XIII: Recommendation that the Executive Committee study the possible uniformity of highway specifications and design standards which would conform to the limitations on vehicle dimensions and weights as set forth in international conventions. (The U.S. delegation understands this to have particular reference to the vehicle size and weight limitations embodied in annex 7 to the Convention on Road Traffic of 1949.3)

Resolution XVI: Interchange of information among the countries of the Gulf of Mexico and Caribbean Sea area and convening of a conference by the Executive Committee to establish a "tourist circuit" embracing the southern United States, Cuba, Yucatan, and central Mexico.

Resolution XVIII: Compliments to the United Nations Economic Commission for Latin America for its study on transportation in Central America, with a recommendation that it produce a similar study for South America.

Resolution XIX: Recommendation that government agencies, automobile associations, and organizations of commerce, industry, and production support the formation of bodies representative of commercial highway transport in all its phases.

Resolution XX: Recommendation that all the American States should adhere to the worldwide

Convention on Road Traffic (Geneva, 1949), establish promptly the distinctive sign indicating national origin of motor vehicles in international traffic as provided by that treaty, and study the United Nations proposals for qualifications of drivers in international traffic with a view to their adoption as a basis for uniform issuance of drivers' permits; and that any country which has not yet done so should also ratify the regional Convention on Regulation of Inter-American Automotive Traffic (Washington, 1943) in order to meet the special documentary requirements of countries in this hemisphere pending ratification of the world convention.

Resolution XXIV: Recommendation that a Department of Traffic, Highways, or Roads be created in each country where it does not already exist and that information on such departments be sent to the permanent secretariat.

Resolution XXVI: Suggestion that adequate rights-of-way be obtained for highways, 60-meter minimum width for principal routes and 30-meter for secondary, with 100 meters, if possible, for all roads on the Pan American Highway.

Resolution XXVII: Recommendation that each country establish a National Commission on Communications to prepare a general plan for the national and regional development of highways, railways, inland and ocean waterways, and airways, with a view to coordinated economic and social betterment; that such a plan determine the steps necessary to be taken for both immediate and future development of the country; and that on completion of the work of the Commission, a National Council of Communications be established as a consultative body to study traffic changes in the various modes of transport and other unforeseen developments which may affect the coordinated program.

Resolution XXIX: Suggestion that the American States adopt the contract method for construction of highways.

Resolution XXX: Suggestion that the governments give preferential attention to the maintenance of highways.

Resolution XXXIII: Suggestion that the governments promote the construction of local roads in order to augment areas under cultivation,

For a summary of the 1949 convention see BULLETIN of Dec. 12, 1949, p. 886.

attract new industries, increase traffic on the principal routes, and develop the national economy and culture.

Resolution XXXIX: Recommendation to the Inter-American Economic and Social Council to convene a meeting of traffic experts before the next Pan American Highway Congress is held.

Resolution XLII: Resolution to hold the Seventh Pan American Highway Congress in Panamá City, R. P., in 1957.

Resolution XLIV-A: Recommendation that schools for operators of construction and transportation equipment be established and that aerial photographs be used as part of the means for determining highway locations.

U.S. Announcement

One of the chief events of the Congress required no specific resolution. It was an announcement by the chairman of the U.S. delegation in the plenary session of July 16 to the following effect:

I am sure that most of you already know that in May of this year the United States Congress made an effective contribution toward completion of the inter-American portion of the Pan American Highway between Mexico and the Panama Canal by authorizing the future appropriation of funds required to complete the Inter-American Highway by 1960 in cooperation with the Central American countries and Panama. You will be interested to learn that this legislation was introduced and skillfully guided to final approval in the Congress by the Honorable J. Harry McGregor, Congressman from the State of Ohio, aided by the Honorable George H. Fallon, Congressman from the State of Maryland, both of whom are present with us here in Caracas as members of the United States delegation to this Congress.

As all of us are aware, one of our objectives here is to develop a means to hasten opening of the 25-mile gap in the highway in northern Guatemala. I am glad to be able to announce to the delegates to this Sixth Pan American Highway Congress that I have just received information that hearings have already been completed and that the Congress of the United States has before it now the bill for the actual appropriation of sufficient funds to permit the United States Government to enter into a cooperative agreement with the new Government of Guatemala to commence work on this section of the highway. Should the United States Congress act favorably on this appropriation, funds would then be available with which the United States and Guatemala could negotiate an agreement for the immediate beginning of construction on this important section of the highway.

The statement was greeted by applause. To

many of those present, it meant that the last political obstacle to completion of the Inter-American Highway was about to be removed and that a through overland connection between the United States and the Panama Canal could become a reality, if the United States Congress so desired, within a period of perhaps 5 years.

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◆ This report was drafted for the U.S. delegation by H. H. Kelly, officer in charge of inland transport matters for the Office of Transport and Communications Policy.

TREATY INFORMATION

Current Actions

MULTILATERAL

Agriculture

International plant protection convention. Done at Rome December 6, 1951. Entered into force April 3, 1952. Notification by Australia of extension to: Territories of Papua and New Guinea, Nauru and Norfolk Island, August 9, 1954.

Commodities—Sugar

International sugar agreement. Done at London under date of October 1, 1953.
Ratification deposited: Lebanon, September 23, 1954.

Shipping

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva March 6, 1948. Acceptance deposited (with reservation): Mexico, September 21, 1954.

Slave Trade

Protocol amending the slavery convention signed at Geneva on September 25, 1926 (46 Stat. 2183), and annex. Done at New York December 7, 1953. ** Acceptance deposited: Egypt, September 29, 1954.

BILATERAL

Greece

Treaty of friendship, commerce and navigation. Signed at Athens August 3, 1951. Entered into force October 13, 1954.

Proclaimed by the President: October 18, 1954.
Treaty of establishment. Signed at Athens November 21, 1936. Entered into force October 22, 1937. 51 Stat. 230.
Terminated: October 13, 1954 (upon entry into force of the treaty of friendship, commerce and navigation of August 3, 1951).

¹ Not in force for the United States.

Not in force.

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Releases may be obtained from the News Division, Department of State, Washington 25, D. C.
Press releases issued prior to October 18 which appear in this issue of the BULLETIN are Nos. 568 of October 11, 575 of October 13, 576 and 577 of October 14.

No.	Date	Subject
†581	10/18	Agreement with Belgium.
582	10/18	Union of South Africa credentials (rewrite).
583	10/18	Drumright: transfer of destroyers.
*584	10/18	Visit of Adenauer.
*585	10/18	Honor awards ceremony.
*586	10/18	Statement to Unesco Commission
*587	10/19	Drew: swearing-in ceremony.
*588	10/19	Educational exchange.
*589	10/19	Hare: designation as Director General of Foreign Service.
590	10/19	U.S. delegation to NAC meeting.
591	10/19	Dulles: awards ceremony.
592	10/19	Dulles: departure for Paris.
593	10/20	New regulation on immigration.
†594	10/19	Dulles: Suez Base agreement.
595	10/19	Petersen case.
†596	10/21	Wainhouse: U.N. Charter review.
1597	10/21	Treaty with Greece.
*598	10/21	Arrival of Hong Kong refugee.
599	10/21	U.SPakistan communique.
†600	10/21	Copyright arrangement with India.
†601	10/22	Foreign Relations volume.
*602	10/22	Brown: Germany's role in free world.
†603	10/22	Dulles: United Nations Day.
604	10/22	Admission of Polish seamen.

*Not printed. †Held for a later issue of the BULLETIN.



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The Record on Disarmament

Publication 5581

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A Subcommittee of Five of the U.N. Disarmament Commission met at London in May-June 1954 to carry out the General Assembly's resolution of November 28, 1953, to "seek in private an acceptable solution." Following these talks, the Subcommittee's report was transmitted to the Disarmament Commission, which dealt with the Subcommittee's results at New York on July 20-29, 1954.

The Record on Disarmament is a report on these meetings. As stated in the Letter of Transmittal, the discussions gave a clear indication of the present direction of Soviet thinking on disarmament. The Soviet Union showed no serious desire to negotiate the subject. It confined its efforts to glib distortions to support the propaganda slogan "ban the bomb."

This 20-page document gives a running account of the developments in the secret talks at London, the records of which have now been made public, and the meetings at New York. The booklet provides a summary of the chief Western proposals and tactics. It concludes with a section on the implications of the discussions.

Copies of *The Record on Disarmament* may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C.

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